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PAN AMERICAN SILVER

THIRD QUARTER REPORT TO SHAREHOLDERS

For the period ending September 30, 2022

PAN AMERICAN SILVER

All amounts expressed in U.S. dollars unless otherwise indicated. Unaudited tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted.

Pan American Silver reports third quarter 2022 results

Vancouver, B.C. - November 9, 2022 - Pan American Silver Corp. (NASDAQ: PAAS) (TSX: PAAS) ("Pan American" or the "Company") today reported unaudited results for the quarter ended September 30, 2022 ("Q3 2022").

"Our Q3 results reflect the industry-wide challenge of softening precious metal prices combined with inflationary cost pressures," said Michael Steinmann, President and Chief Executive Officer.

Added Mr. Steinmann: "On November 4, 2022, we announced a proposed acquisition of Yamana Gold by Pan American and Agnico Eagle. This accretive and transformational transaction would increase our silver production by approximately 50% and double our gold production through the addition of long-life, low-cost assets in Latin America, our core operating region. These assets generate strong cash flow, which would further strengthen our financial position and help establish an exciting future for growth and value creation for our stakeholders."

Consolidated Q3 2022 Highlights:

- Silver production of 4.5 million ounces and gold production of 128.8 thousand ounces.
- Revenue of $338.9 million, inclusive of a negative $4.8 million adjustment on open concentrate shipments, largely related to the decline in metal prices towards the end of Q3 2022.
- Net loss of $71.2 million ($0.34 basic loss per share), impacted by: $15.1 million in net realizable value ("NRV") inventory adjustments, primarily at Dolores; $12.6 million in investment losses on our short-term investments; and mine closure severance provisions of $9.4 million recorded for Manantial Espejo.
- Adjusted loss of $2.8 million ($0.01 basic adjusted loss per share) excludes the impact from the NRV inventory adjustments related to the Dolores heap inventory, investment losses and the Manantial Espejo severance provisions, among other adjustments.
- Operations generated $54.4 million of cash flow, net of $20.4 million in tax payments.
- Silver Segment Cash Costs and All-in Sustaining Costs ("AISC") per silver ounce were $14.62 and $17.97, respectively. Excluding NRV inventory adjustments, Silver Segment AISC was $18.46 per ounce.
- Gold Segment Cash Costs and AISC per gold ounce were $1,184 and $1,614, respectively. Excluding NRV inventory adjustments, Gold Segment AISC was $1,482 per ounce.
- As at September 30, 2022, Pan American's financial position remains strong with working capital of $422.1 million, inclusive of cash and short-term investment balances of $187.2 million; a long-term investment in Maverix Metals Inc. ("Maverix") with a fair value of $87.0 million; and $500.0 million available under our sustainability-linked credit facility. Total debt of $68.5 million was related to lease liabilities and construction loans.
- A cash dividend of $0.10 per common share has been declared, payable on or about December 2, 2022, to holders of record of Pan American's common shares as of the close on November 21, 2022. The dividends are eligible dividends for Canadian income tax purposes.
- Management is revising its estimate for full-year 2022 silver production to be between 18.0 and 18.5 million ounces from the 19.0 to 20.5 million ounces provided in the 2022 Original Operating Outlook. We expect the estimate for Silver Segment Cash Costs and AISC could be marginally above the high-end of the range in our 2022 Original Operating Outlook. Management reaffirms the 2022 Original Operating Outlook for gold production, and reaffirms the revised estimates for Gold Segment AISC provided in the Company's MD&A for the period ended June 30, 2022. Gold Segment Cash Costs are now expected to be above the high end of the of the 2022 Original Operating Outlook. Please see the "2022 Guidance" section of this news release for further details.
- The ILO 169 consultation process for the Escobal mine continues to progress with two meetings completed in October 2022. At this time, no date has been set for a potential restart of operations at Escobal.

All amounts expressed in U.S. dollars unless otherwise indicated. Unaudited tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted.

- At the La Colorada Skarn project, we updated our estimate for the mineral resource, with 95.9 million tonnes now in the indicated category containing 94.4 million ounces of silver, 2.7 million tonnes of zinc and 1.2 million tonnes of lead. In addition, the estimated inferred mineral resource totals 147.8 million tonnes containing 132.9 million ounces of silver, 3.4 million tonnes of zinc and 1.5 million tonnes of lead. This mineral resource estimate does not include drill results released on November 1, 2022 and July 21, 2022 that indicate a high-grade silver zone of mineralisation.

CONSOLIDATED RESULTS

	Three months ended September 30, 2022	Twelve months ended December 31, 2021
Weighted average shares during period (millions)	**210.5**	210.3
Shares outstanding end of period (millions)	**210.5**	210.5

	Three months ended September 30,	
	2022	**2021**
FINANCIAL		
Revenue	**$ 338,889**	$ 460,349
Mine operating (loss) earnings	**$ (21,788)**	$ 98,887
Net (loss) earnings	**$ (71,202)**	$ 20,219
Basic (loss) earnings per share(1)	**$ (0.34)**	$ 0.10
Adjusted (loss) earnings(2)	**$ (2,755)**	$ 37,780
Basic adjusted (loss) earnings per share(1)	**$ (0.01)**	$ 0.18
Net cash generated from operating activities	**$ 54,418**	$ 157,017
Net cash generated from operating activities before changes in working capital(2)	**$ 32,814**	$ 134,010
Sustaining capital expenditures(2)	**$ 48,710**	$ 52,908
Non-sustaining capital expenditures(2)	**$ 26,239**	$ 13,277
Cash dividend paid per share	**$ 0.11**	$ 0.10
PRODUCTION		
Silver (thousand ounces)	**4,537**	4,831
Gold (thousand ounces)	**128.8**	142.6
Zinc (thousand tonnes)	**8.9**	12.7
Lead (thousand tonnes)	**4.4**	4.2
Copper (thousand tonnes)	**0.9**	2.1
CASH COSTS(2) ($/ounce)		
Silver Segment	**14.62**	11.92
Gold Segment	**1,184**	922
AISC(2) ($/ounce)		
Silver Segment	**17.97**	16.30
Gold Segment	**1,614**	1,176
AVERAGE REALIZED PRICES(3)		
Silver ($/ounce)	**18.76**	24.16
Gold ($/ounce)	**1,705**	1,782
Zinc ($/tonne)	**3,232**	2,989
Lead ($/tonne)	**1,944**	2,286
Copper ($/tonne)	**7,707**	9,399

(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 of this news release for further information on these measures.
(3) Metal prices stated are inclusive of final settlement adjustments on concentrate sales.

Cash Costs, AISC, adjusted earnings, basic adjusted earnings per share, sustaining and non-sustaining capital, working capital, total debt and net cash are not generally accepted accounting principle ("non-GAAP") financial measures. Please refer to the "Alternative Performance (non-GAAP) Measures" section of this news release for further information on these measures.

All amounts expressed in U.S. dollars unless otherwise indicated. Unaudited tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted.

This news release should be read in conjunction with Pan American's unaudited Condensed Interim Consolidated Financial Statements and our Management's Discussion and Analysis for the three and nine months ended September 30, 2022. This material is available on Pan American's website at panamericansilver.com, on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

SUBSEQUENT EVENT: PAN AMERICAN AND AGNICO EAGLE ARRANGEMENT AGREEMENT WITH YAMANA

On November 4, 2022, Pan American and Agnico Eagle Limited ("Agnico Eagle") announced that they had delivered a definitive binding offer to the board of directors of Yamana Gold Inc. ("Yamana") pursuant to which Pan American would acquire all of the issued and outstanding common shares of Yamana and Yamana would sell certain subsidiaries and partnerships which hold Yamana's interests in its Canadian assets to Agnico Eagle, including the Canadian Malartic mine (the "Proposed Transaction").

On November 8, 2022, Pan American and Agnico Eagle further announced that the arrangement agreement among Pan American, Agnico Eagle, and Yamana (the "Pan American – Agnico Arrangement Agreement") became effective upon the termination by Gold Fields Limited ("Gold Fields") of the arrangement agreement between Yamana and Gold Fields entered into on May 31, 2022 (the "Gold Fields Arrangement Agreement"). The Pan American-Agnico Arrangement Agreement and terms of the Proposed Transaction remain the same as previously announced by Pan American and Agnico Eagle on November 8, 2022, and on November 4, 2022. Copies of the previously issued press releases are available under the SEDAR profiles (www.sedar.com) of Pan American and Agnico Eagle.

The previously scheduled special meeting of Yamana shareholders for November 21, 2022 in connection with the Gold Fields Arrangement Agreement has been cancelled, and Yamana will pay a termination fee of $300 million to Gold Fields in accordance with the terms of the Gold Fields Arrangement Agreement. Pursuant to the terms of the Pan American-Agnico Arrangement Agreement, Pan American will fund $150 million in cash to Yamana to pay a portion of such termination fee.

The Pan American – Agnico Proposed Transaction would, if completed, increase Pan American's portfolio to 12 operating mines and is estimated to increase silver production by approximately 50% and gold production by approximately 100%. Pan American has 28 years of proven expertise and experience building and operating mines in Latin America, making it well suited to realize more value from Yamana's mines in this region, and offer an enlarged pipeline of potential growth projects within Latin America. The Pan American – Agnico Proposed Transaction would also be expected to enhance the Company's overall financial position and improve its ability to internally fund its growth projects, and presents multiple opportunities for operational and administrative synergies, particularly between Pan American's and Yamana's corporate offices in Canada.

CONFERENCE CALL AND WEBCAST

Pan American will discuss the Proposed Transaction and Pan American - Agnico Arrangement Agreement in conjunction with the conference call to discuss the Company's Q3 2022 unaudited results. Details are as follows:

Date:	November 10, 2022
Time:	11:00 am ET (8:00 am PT)
Dial-in numbers:	1-800-319-4610 (toll-free in Canada and the U.S.) +1-604-638-5340 (international participants)
Webcast:	https://services.choruscall.com/mediaframe/webcast.html?webcastid=OACOqFfL

All amounts expressed in U.S. dollars unless otherwise indicated. Unaudited tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted.

The live webcast, presentation slides and the Management's Discussion and Analysis for the period ended September 30, 2022 will be available at panamericansilver.com. An archive of the webcast will also be available for three months on Pan American's website.

2022 GUIDANCE

Based on YTD results and the expected results for the remainder of the year, Management reaffirms the 2022 Original Operating Outlook for gold production, as provided in the Company's 2021 MD&A dated February 23, 2022. Management is revising its estimate for full-year 2022 silver production to be between 18.0 and 18.5 million ounces from the 19.0 to 20.5 million ounces provided in the 2022 Original Operating Outlook. The revision is largely due to lower production at Dolores and mine sequencing at La Colorada during the second half of 2022 into lower silver grade ore zones. Reestablishing mining from the higher grade ores affected by the ventilation constraints previously reported has proven more challenging than expected. During Q3 2022, the Company deployed additional resources with two development contractors to accelerate accesses to the higher grade ores in the deeper portions of the eastern Candelaria deposit, and the Company now expects to reestablish near reserve grade ore mine sequencing towards the end of 2022.

Based on YTD 2022 results, Management reaffirms the 2022 Original Operating Outlook for Silver Segment Cash Costs and AISC. However, we are continuing to assess the adverse impact supply chain disruptions and market distortions are having on the Company's input costs, which could result in Silver Segment costs being marginally above the high-end of the range in our 2022 Original Operating Outlook.

Based on YTD 2022 Cash Costs and the Inflationary and Supply Chain Cost Increases impacting the price of the Company's input costs, we now expect Gold Segment Cash Costs to be above the high-end of the 2022 Original Operating Outlook of between $970 to $1,070 per ounce. Management reaffirms the August 2022 Revised Operating Outlook for Gold Segment AISC of between $1,450 to $1,550 per ounce, which had incorporated Inflationary and Supply Chain Cost Increases and the added capital spending in Shahuindo and La Arena due to timing of cash outflows.

These estimates are forward-looking statements and information that are subject to the cautionary note associated with forward-looking statements and information at the end of this news release.

The following tables provide Management's 2022 Guidance forecasts, as at November 9, 2022.

Annual Production

Silver – Moz	18.0 - 18.5
Gold – koz	550.0 - 605.0
Zinc – kt	35.0 - 40.0
Lead – kt	15.0 - 17.0
Copper – kt	5.5 - 6.5

Cash Costs and AISC

	Cash Costs(1)(2) ($ per ounce)	AISC(1)(2) ($ per ounce)
Silver Segment Total	10.70 - 12.20	14.50 - 16.00
Gold Segment Total, excluding NRV adjustments(3)	970 - 1,070	1,450 - 1,550

(1) Cash Costs and AISC are non-GAAP measures. Please refer to the "Alternative Performance (non-GAAP) Measures" section of this news release for further information on these measures.

(2) The Cash Costs and AISC forecasts assume average metal prices of $22.50/oz for silver, $1,750/oz for gold, $3,000/tonne ($1.36/lb) for zinc, $2,200/tonne ($1.00/lb) for lead, and $9,200/tonne ($4.17/lb) for copper; and average annual exchange rates relative to 1 USD of 20.00 for the Mexican peso ("MXN"), 4.10 for the Peruvian sol ("PEN"), 122.17 for the Argentine peso ("ARS"), 7.00 for the Bolivian boliviano ("BOB"), and $1.25 for the Canadian dollar ("CAD").

(3) Gold Segment AISC guidance provided excluding NRV adjustments due to Dolores heap inventory NRV adjustment YTD 2022 of $87.7 million driven by the updated life of mine plan and reserves, which drove the Dolores impairment in Q2 2022.

Capital Expenditures

	(in millions of USD)
Sustaining Capital	240.0 - 250.0
Project Capital	55.0 - 60.0
Total Capital	**295.0 - 310.0**

About Pan American

Pan American owns and operates silver and gold mines located in Mexico, Peru, Canada, Argentina and Bolivia. We also own the Escobal mine in Guatemala that is currently not operating. Pan American provides enhanced exposure to silver through a large base of silver reserves and resources, as well as major catalysts to grow silver production. We have a 28-year history of operating in Latin America, earning an industry-leading reputation for sustainability performance, operational excellence and prudent financial management. We are headquartered in Vancouver, B.C. and our shares trade on NASDAQ and the Toronto Stock Exchange under the symbol "PAAS".
Learn more at panamericansilver.com.

For more information contact:

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Technical Information

Scientific and technical information contained in this news release have been reviewed and approved by Martin Wafforn, P.Eng., Senior Vice President Technical Services and Process Optimization, and Christopher Emerson, FAusIMM, Vice President Business Development and Geology, each of whom are Qualified Persons, as the term is defined in Canadian National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.

For additional information about Pan American's material mineral properties, please refer to Pan American's Annual Information Form dated February 23, 2022, filed at www.sedar.com, or the Company's most recent Form 40-F filed with the Securities and Exchange Commission.

Alternative Performance (Non-GAAP) Measures

In this news release, we refer to measures that are not generally accepted accounting principle ("non-GAAP") financial measures. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning as prescribed by IFRS as an indicator of performance, and may differ from methods used by other companies with similar descriptions. These non-GAAP financial measures include:

- Cash Costs. Pan American's method of calculating cash costs may differ from the methods used by other entities and, accordingly, Pan American's Cash Costs may not be comparable to similarly titled measures used by other entities. Investors are cautioned that Cash Costs should not be construed as an alternative to production costs, depreciation and amortization, and royalties determined in accordance with IFRS as an indicator of performance.
- Adjusted earnings and basic adjusted earnings per share. Pan American believes that these measures better reflect normalized earnings as they eliminate items that in management's judgment are subject to volatility as a result of factors, which are unrelated to operations in the period, and/or relate to items that will settle in future periods.
- All-in Sustaining Costs per silver or gold ounce sold, net of by-product credits ("AISC"). Pan American has adopted AISC as a measure of its consolidated operating performance and its ability to generate cash from all operations collectively, and Pan American believes it is a more comprehensive measure of the cost of operating our consolidated business than traditional cash costs per payable ounce, as it includes the cost of replacing ounces through exploration, the cost of ongoing capital investments (sustaining capital), general and administrative expenses, as well as other items that affect Pan American's consolidated earnings and cash flow.
- Total debt is calculated as the total current and non-current portions of: long-term debt, finance 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. Pan American and certain investors use this information to evaluate the financial debt leverage of Pan American.

- Net cash is calculated as cash and cash equivalents plus short-term investments, other than equity securities less total debt.
- Working capital is 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. Pan American and certain investors use this information to evaluate whether Pan American is able to meet its current obligations using its current assets.
- Total available liquidity is calculated as the sum of Cash and cash equivalents, Short-term Investments, and the amount available on the Credit Facility. Total available liquidity does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. Pan American and certain investors use this information to evaluate the liquid assets available to Pan American.

Readers should refer to the "Alternative Performance (non-GAAP) Measures" section of Pan American's Management's Discussion and Analysis for the period ended December 31, 2021, for a more detailed discussion of these and other non-GAAP measures and their calculation.

Cautionary Note Regarding Forward-Looking Statements and Information

Certain of the statements and information in this news release 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 news release relate to, among other things: future financial or operational performance, including our estimated production of silver, gold and other metals forecasted for 2022, our estimated Cash Costs and AISC, and our sustaining and project capital expenditures in 2022; the anticipated timing for metals production and sales, including the expectation with respect to a material increase in gold production in the fourth quarter of 2022 and the timing and amount of any future sales related to inventory build-ups; the implementation and closing of the transactions contemplated by the Pan American-Agnico Arrangement Agreement and any anticipated benefits therefrom; estimated recoverable amounts of cash generating units; expectations with respect to mineral grades and the impact of any variations relative to actual grades experienced; the impact of inflationary pressures on our operations and business, particularly for diesel and certain consumables, as well as the impacts related to disruptions in the supply chain; future anticipated prices for gold, silver and other metals and assumed foreign exchange rates; expectations with respect to the future anticipated impact of COVID-19 on our operations and the assumptions that the impact of COVID-19, including the Omicron variant, will be such that we will be able to maintain our workforce at near normal levels for the remainder of 2022; 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 the ability of Pan American to successfully complete any capital projects, including, but not limited to, the La Colorada Skarn project, the expected economic or operational results derived from those projects, and the impacts of any such projects on Pan American; 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; the world-wide economic and social impact of COVID-19 and the duration and extent of the COVID-19 pandemic and related restrictions, and the presence and impact of COVID-19 and COVID-19 related restrictions on our workforce, suppliers and other essential resources and what effect those impacts, if they change, would have on our business; the effect that the COVID-19 pandemic may have on our financial and operational results; the ability of Pan American to continue with its operations, or to successfully maintain our operations on care and maintenance, should the situation related to COVID-19 not be as anticipated; 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; 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 news release 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; the duration and effects of COVID-19, and any other pandemics on our operations and workforce, and the effects on global economies and society; 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 (such as the PEN, MXN, ARS, BOB, GTQ and CAD versus the USD); 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 Canada, the United States, Mexico, Peru, Argentina, Bolivia, Guatemala or other countries where Pan American may carry on business, including 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; the possibility that transactions contemplated by the Pan American-Agnico Arrangement Agreement will be completed in the expected timeframe or at all; and 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. 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.

Cautionary Note to US Investors

This news release has been prepared in accordance with the requirements of Canadian National Instrument 43-101 (the "NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards, 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 United States Securities and Exchange Commission (the "SEC"), and information concerning mineralization, deposits, mineral reserve and 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 news release 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 mineral reserves reported by the Company in compliance with NI 43-101 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 a "measured resource" or "indicated resource" will ever be converted into a "reserve". U.S. investors should also understand that "inferred 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 resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian securities laws. However, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade, without reference to unit measures. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

Management’s Discussion and Analysis

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

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

November 9, 2022

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, 2021 (the "2021 Annual Financial Statements"), and the related notes contained therein, and the unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022 (the "Q3 2022 Financial Statements"), and the related notes contained therein. All amounts in this MD&A, the 2021 Annual Financial Statements, and the Q3 2022 Financial Statements are expressed in United States dollars ("USD") unless identified otherwise. The Company reports its financial position, financial performance and cash flows in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). Pan American's significant accounting policies are set out in Note 3 of the 2021 Annual Financial Statements.

This MD&A refers to various non-Generally Accepted Accounting Principles ("non-GAAP") measures, such as "all-in sustaining costs per ounce sold", "cash costs per ounce sold", "adjusted earnings" and "basic adjusted earnings 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 cost per ounce sold", "cash costs per ounce sold", "adjusted earnings" and "basic adjusted earnings 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 Q3 2022 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, including its Annual Information Form, is available on SEDAR at www.sedar.com.

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 Peru, Mexico, Argentina, Bolivia, and Canada. We also own the Escobal mine in Guatemala that is currently not operating. In addition, the Company is exploring for new silver deposits and opportunities throughout the Americas. The Company is listed on the Toronto Stock Exchange (Symbol: PAAS) and on the Nasdaq Global Select Market in New York (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.

Q3 2022 HIGHLIGHTS

Operations

Silver production of 4.54 million ounces

Consolidated silver production for the three months ended September 30, 2022 ("Q3 2022") of 4.54 million ounces was 0.29 million ounces lower than the 4.83 million ounces produced in the three months ended September 30, 2021 ("Q3 2021"), primarily reflecting Morococha being placed on care and maintenance in February 2022, partially offset by increases at the majority of the other operations.

Management is revising its silver production forecast for 2022 to between 18.0 to 18.5 million ounces given expected shortfalls at La Colorada and Dolores. At La Colorada, silver production shortfalls are related to mine sequencing to lower silver grade stopes while mine development and rehabilitation progresses for access to higher grade ores following the previous year's ventilation constraints, while at Dolores it relates to the previously disclosed Phase 9B reserve grade shortfalls.

Gold production of 128.8 thousand ounces

Consolidated gold production for Q3 2022 of 128.8 thousand ounces was 13.8 thousand ounces lower than the 142.6 thousand ounces produced in Q3 2021, primarily due to lower gold grade ores in Phase 9B of the Dolores open pit mine and leach sequencing at Shahuindo and La Arena where high grade ores were stacked at the end of Q3 2022.

The Company reaffirms its 2022 Original Operating Outlook for gold production, as further described in the "2022 Annual Operating Outlook" section of this MD&A.

Base metal production

Zinc, lead and copper ("base metal") production in Q3 2022 of 8.9 thousand tonnes, 4.4 thousand tonnes, and 0.9 thousand tonnes, respectively. While lead production was comparable quarter over quarter, zinc and copper production was lower than Q3 2021, primarily as a result of Morococha being placed on care and maintenance in February 2022, in addition to mine sequencing at Huaron moving away from copper ore zones to lead ore zones.

The Company reaffirms its 2022 Original Operating Outlook for zinc, lead and copper production, as further described in the "2022 Annual Operating Outlook" section of this MD&A.

Financial

Revenue and net income

Revenue in Q3 2022 of $338.9 million was 26% lower than in Q3 2021 as a result of a $96.4 million decrease in quantities of metal sold, and $33.9 million in lower precious metals prices, partially offset by $5.5 million in lower treatment and refining charges due to Morococha being on care and maintenance in February 2022 and $3.3 million in positive settlement adjustments on open concentrate shipments.

The decreased revenue from quantities of metal sold reflects:

i. $43.2 million mainly from lower gold dore inventory draw-downs;

ii. $31.8 million from lower silver and base metals production from Morococha being placed on care and maintenance; and

iii. $21.6 million from lower gold quantities produced at the remaining operations, largely due to lower grades and sequencing into higher waste-to-ore zones at the Company's three open pit mines as well as a larger build-up of in-heap inventories at the three heap leach operations.

Net loss of $71.2 million, or $0.34 basic loss per share, was recorded for Q3 2022, compared with net earnings of $20.2 million, or $0.10 basic earnings per share in Q3 2021. The $91.4 million quarter-over-quarter decrease was mainly due to:

i. $120.7 million from decreased mine operating earnings, largely from:
   a. $121.5 million from decreased revenue, as described above;
   b. $9.4 million for mine closure severance provisions at Manantial Espejo, Morococha and Dolores;
   c. $12.6 million from increased net realizable value ("NRV") inventory adjustments; offset by,
   d. $18.7 million in lower Morococha production costs which was placed on care and maintenance in February 2022.
ii. $29.1 million from reduced mineral properties, plant and equipment gains because the Company sold the Waterloo exploration stage asset in Q3 2021, with no similar transaction in the current quarter; partially offset by,
iii. $48.5 million from reduced income tax expense, reflecting $139.9 million in lower income before tax; and,
iv. $12.6 million from decreased losses on short-term investments recorded at fair value though profit or loss, largely New Pacific Metals Corp.

See the "Overview of Q3 2022 Financial Results" section of this MD&A for further information.

Adjusted loss[(1)] was $2.8 million, or $0.01 adjusted loss per share, in Q3 2022, compared to adjusted earnings of $37.8 million, or $0.18 basic adjusted earnings per share in Q3 2021.

Cash Flow, liquidity and working capital position

Cash flow from operations: The Company generated $54.4 million in Q3 2022, which was $102.6 million less than the $157.0 million generated in Q3 2021. In addition to inflationary pressures across the asset portfolio which offset the lower production costs from Morococha, the decrease was primarily driven by:

i. $121.5 million from decreased revenue, as described above;
ii. $5.2 million from increased care and maintenance, largely attributable to Morococha; partially offset by,
iii. $13.6 million from trade and other receivable draw-downs;
iv. $8.3 million from accounts payable build-ups; and,
v. $3.7 million from reduced income tax payments.

As at September 30, 2022, the Company had working capital of $422.1 million, inclusive of cash and short-term investments of $187.2 million; a long-term investment in Maverix Metals Inc. ("Maverix") of $87.0 million; and $500.0 million available under its revolving Sustainability-Linked Credit Facility ("SL-Credit Facility"). Total debt of $68.5 million is related to lease liabilities and construction loans in Peru.

Cash Costs[(1)]

During Q3 2022, all operations were negatively impacted by inflationary pressures, mainly reflecting increased prices for diesel and certain consumables, including cyanide, explosives, and steel products (such as grinding media), as well as supply-chain shortages. We are also experiencing indirect cost increases in other supplies and services due to the inflationary impact of diesel and consumable prices on third-party suppliers. These challenges are collectively referred to as "Inflationary and Supply Chain Cost Increases" throughout this MD&A.

Silver Segment Cash Costs per ounce in Q3 2022 of $14.62 were $2.70 higher than the $11.92 in Q3 2021. The increase in quarter-over-quarter Cash Costs is driven primarily by:

i. a $1.63 per ounce increase from Huaron, largely from Inflationary and Supply Chain Cost increases and lower silver ounces sold due to the timing of shipments in Q3 2021; and,

ii. a $0.88 per ounce increase from Manantial Espejo, due to a decrease in by-product credits from lower gold production following the completion of mining at COSE.

These increases were partially offset by a $0.49 per ounce decrease to Silver Segment Cash Costs due to: higher payable silver ounces sold at San Vicente; and lower direct operating costs from higher silver grade material sold at La Colorada, resulting in a $0.10 per ounce decrease to Silver Segment Cash Costs during Q3 2022.

Gold Segment Cash Costs per ounce in Q3 2022 were $1,184, $262 higher than in Q3 2021, reflecting increases at all Gold Segment mines, largely driven by: lower mined grades due to mine sequencing at Timmins and grade reconciliation shortfalls at Dolores, and the previously described Inflationary and Supply Chain Cost Increases.

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

Silver Segment AISC for Q3 2022 of $17.97 per ounce were $1.67 higher than Q3 2021. The increase primarily reflects the previously described factors increasing Cash Costs, partially offset by positive NRV inventory adjustments at Manantial Espejo and lower exploration expenditures allocated to the Silver Segment mines, which led to a $0.79 and $0.27 per ounce decrease in quarter-over-quarter Silver Segment AISC, respectively.

Gold Segment AISC for Q3 2022 of $1,614 per ounce were $438 higher than Q3 2021. This largely reflects the previously described factors increasing Cash Costs, increased sustaining capital at Shahuindo and La Arena, and the impact of $16.9 million in NRV adjustments at Dolores, which led to a $125 per ounce increase in quarter-over-quarter Gold Segment AISC.

The Company reaffirms its 2022 Original Operating Outlook for Silver Segment AISC and its August 2022 Revised Operating Outlook for Gold Segment AISC, as further described in the "2022 Annual Operating Outlook" section of this MD&A.

(1) Adjusted earnings, 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 the Q3 2022 Financial Statements.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Pan American is committed to conducting its business in a responsible and sustainable manner. Our ESG values include: caring for the environment in which we operate; contributing to the long-term development of our host communities; ensuring safe and secure workplaces for our employees; contributing to the welfare of our employees, local communities and governments; and, operating transparently.

We continue to make progress on the 2022 ESG goals described in the "Goals and Performance" section of the Company's 2021 Sustainability Report, which is available on the Company's website at www.panamericansilver.com. We are on track to meet 16 of our 20 ESG goals in: environment (including reductions in GHG emissions), energy and water use; health and safety; social (including communities), human capital, and inclusion and diversity; and governance. Unfortunately, we will not meet our most important goal of zero fatalities, as we have had two fatal accidents, one at Huaron and one at Dolores, during the first nine months of 2022. We also do not expect to meet our environmental audit or biodiversity targets and our waste recycling is less than our goal due to less recyclable waste generation. We will provide further details on our performance against our 2022 ESG goals in the Company's 2022 Sustainability Report.

On September 23, 2022, S&P Global released its 2022 ESG score for Pan American. We scored 68 (out of 100), reflecting an improvement of 12 points over our 2021 score. As of October 22, 2022, we performed in the top 7% in the Metals & Mining industry in the S&P Global Corporate Sustainability Assessment. This increase in our S&P Global score will result in an additional favorable pricing adjustment to our undrawn SL-Credit Facility. Furthermore, at the end of Q3 2022, Pan American was ranked #3 in the Precious Metals Mining subindustry by Sustainalytics, while our ESG rating from MSCI remained at BBB.

OPERATING PERFORMANCE

Silver and Gold Production

The following table provides silver and gold production at each of Pan American's operations for the three and nine months periods ended September 30, 2022 and 2021. Each operation's production variances are further discussed in the "Individual Mine Performance" section of this MD&A.

	Silver Production (ounces '000s)				Gold Production (ounces '000s)			
	Three months ended September 30,		Nine months ended September 30,		Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
La Colorada	**1,494**	1,424	**4,589**	3,588	**1.0**	0.7	**2.6**	1.9
Huaron	**855**	888	**2,635**	2,675	**0.3**	0.2	**0.7**	0.8
Morococha(1)	**—**	547	**324**	1,635	**—**	0.3	**0.1**	0.8
San Vicente(2)	**701**	606	**1,823**	1,908	**—**	0.1	**0.1**	0.2
Manantial Espejo	**857**	813	**2,453**	2,145	**6.4**	8.4	**17.7**	22.4
Dolores	**560**	486	**1,651**	1,732	**32.5**	39.6	**102.3**	120.0
Shahuindo	**59**	55	**184**	174	**35.9**	37.3	**101.7**	97.1
La Arena	**7**	9	**23**	29	**21.5**	22.9	**62.3**	79.8
Timmins	**3**	4	**12**	12	**31.1**	33.0	**100.7**	99.6
Total	**4,537**	4,831	**13,692**	13,898	**128.8**	142.6	**388.1**	422.6
Total Payable Production(3)	**4,265**	4,508	**12,832**	12,921	**128.2**	141.9	**386.6**	420.4

(1) Morococha data represents Pan American's 92.3% interest in the mine's production. Morococha was placed on care and maintenance in February 2022.
(2) San Vicente data represents Pan American's 95.0% interest in the mine's production.
(3) Payable production reflects sellable metal after deducting commercial contract metal payable deductions.

Base Metal Production

The following table provides the Company's base metal production for the three and nine months ended September 30, 2022 and 2021:

	Base Metal Production			
	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Zinc – kt	**8.9**	12.7	**28.1**	38.2
Lead – kt	**4.4**	4.2	**13.7**	14.0
Copper – kt	**0.9**	2.1	**4.0**	6.3

	Base Metal Payable Production			
	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Zinc – kt	**7.5**	10.6	**23.5**	31.9
Lead – kt	**4.1**	3.9	**12.8**	13.1
Copper – kt	**0.7**	1.9	**3.4**	5.3

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Cash Costs and AISC

The quantification of both Cash Costs and AISC measures is described in detail, and where appropriate reconciled to the Q3 2022 Financial Statements, in the "Alternative (Non-GAAP) Performance Measures" section of this MD&A.

The following table reflects the Cash Costs and AISC net of by-product credits at each of Pan American's operations for the three and nine months ended September 30, 2022, as compared to the same periods in 2021:

	Cash Costs(1) ($ per ounce)				AISC(1) ($ per ounce)			
	Three months ended September 30,		Nine months ended September 30,		Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
La Colorada	12.43	12.65	10.49	10.20	18.50	18.48	14.57	18.50
Huaron	10.93	4.69	4.97	4.08	16.09	7.63	9.84	7.26
Morococha	N/A	8.41	5.68	11.22	N/A	12.76	7.08	15.22
San Vicente	12.98	16.84	14.65	16.54	13.49	21.16	17.92	18.26
Manantial Espejo	23.69	19.33	20.43	21.25	22.80	22.71	23.91	23.76
Silver Segment Consolidated(2)	**14.62**	11.92	**12.21**	12.28	**17.97**	16.30	**16.09**	16.51
Silver Segment Consolidated (Excl. NRV Adjustments)	**14.62**	11.92	**12.21**	12.28	**18.46**	16.00	**15.68**	16.52
Dolores(3)	1,193	767	1,071	699	1,899	1,026	2,207	844
Shahuindo	1,023	763	989	759	1,385	951	1,289	964
La Arena	1,128	930	1,056	742	1,542	1,240	1,620	1,178
Timmins	1,382	1,331	1,362	1,325	1,625	1,618	1,626	1,620
Gold Segment Consolidated(2)	**1,184**	922	**1,127**	879	**1,614**	1,176	**1,703**	1,135
Gold Segment Consolidated (Excl. NRV Adjustments)	**1,184**	922	**1,127**	879	**1,482**	1,168	**1,472**	1,166

(1) 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 description of these measures and where appropriate a reconciliation of the measure to the Q3 2022 Financial Statements.

(2) 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 silver revenues ("gold segment by-product credits"), and are calculated per ounce of gold sold.

(3) AISC for Dolores, excluding NRV Adjustments, was $1,393 and $1,398 per ounce for Q3 2022 and the nine months ended September 30, 2022 ("YTD 2022"), respectively, (Q3 2021 and the nine months ended September 30, 2021 ("YTD 2021"): $1,002 and $947, respectively). NRV adjustments included in AISC increased costs by $506 and $809 for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: increased by $24 and decreased by $103, respectively).

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Individual Mine Performance

An analysis of performance at each operation in Q3 2022 compared with Q3 2021 follows. The project capital amounts invested in Q3 2022 are further discussed in the "Project Development Update" section of this MD&A.

La Colorada Operation

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Ore tonnes mined – kt	**171.4**	151.8	**478.2**	407.2
Tonnes milled – kt	**171.0**	151.7	**478.3**	412.6
Average silver grade – grams per tonne	**298**	323	**327**	300
Average zinc grade - %	**1.77**	2.09	**1.85**	2.18
Average lead grade - %	**1.00**	1.11	**1.03**	1.14
Production:				
Silver – koz	**1,494**	1,424	**4,589**	3,588
Gold – koz	**1.01**	0.73	**2.58**	1.93
Zinc – kt	**2.54**	2.70	**7.47**	7.72
Lead – kt	**1.44**	1.42	**4.14**	3.98
Payable Production				
Silver – koz	**1,418**	1,351	**4,355**	3,392
Gold – koz	**0.81**	0.59	**2.14**	1.56
Zinc – kt	**2.16**	2.30	**6.35**	6.56
Lead – kt	**1.33**	1.33	**3.84**	3.70
Cash Costs - $ per silver ounce(1)	**12.43**	12.65	**10.49**	10.20
Sustaining capital - $ thousands(2)	**8,452**	7,992	**17,586**	19,660
AISC - $ per silver ounce(1)	**18.50**	18.48	**14.57**	18.50
Payable silver sold - koz	**1,411**	1,548	**4,406**	2,652

(1) 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 cost of sales.

(2) Sustaining capital expenditures exclude $24.0 million and $49.9 million of investing activity cash outflows for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: $10.8 million and $22.9 million, respectively) related to investment capital incurred on the La Colorada projects, as disclosed in the “Project Development Update” section of this MD&A.

Q3 2022 vs. Q3 2021

Production:

- Silver: 5% increase, largely from higher throughput, which benefited from improved ventilation rates that allowed an increase in mining rates, partially offset by mine sequencing into lower silver grades.
- By-products: 6% decrease in zinc production, as a result of mine sequencing into lower base metal grade areas of the mine, partially offset by higher throughput.

Cash Costs: decreased by $0.22 per ounce, primarily driven by: higher silver grades of material sold in the quarter from the grade outperformance in the first half of the year, partially offset by lower by-product credits per ounce from lower base metal grades, and Inflationary and Supply Chain Cost Increases.

Sustaining Capital: comparable quarter-over-quarter, with a reduction in investments in sustaining ventilation infrastructure being offset by higher tailings storage facility expansions and mine deepening projects. The balance of capital expenditures in both periods related to near-mine exploration and mine equipment replacements and refurbishments in both periods.

AISC: comparable quarter-over-quarter, as a result of the same factors that affected Cash Costs and lower greenfield exploration expenditures allocated in Q3 2022, partially offset by higher sustaining capital per ounce.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Huaron Operation

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Ore tonnes mined – kt	**230.1**	232.2	**706.1**	706.2
Tonnes milled – kt	**237.0**	232.1	**705.8**	707.2
Average silver grade – grams per tonne	**136**	144	**140**	143
Average zinc grade - %	**2.23**	1.93	**2.19**	2.26
Average lead grade - %	**1.46**	0.97	**1.46**	1.14
Average copper grade - %	**0.50**	0.83	**0.62**	0.81
Production:				
Silver – koz	**855**	888	**2,635**	2,675
Gold – koz	**0.26**	0.22	**0.70**	0.82
Zinc – kt	**4.09**	3.49	**11.92**	12.32
Lead – kt	**2.76**	1.54	**8.23**	5.85
Copper – kt	**0.78**	1.44	**3.10**	4.31
Payable Production:				
Silver – koz	**717**	759	**2,202**	2,242
Gold – koz	**0.11**	0.02	**0.23**	0.10
Zinc – kt	**3.37**	2.86	**9.81**	10.13
Lead – kt	**2.60**	1.44	**7.76**	5.49
Copper – kt	**0.65**	1.30	**2.78**	3.59
Cash Costs - $ per silver ounce(1)	**10.93**	4.69	**4.97**	4.08
Sustaining capital - $ thousands	**3,753**	2,744	**9,987**	6,905
AISC-$ per silver ounce(1)	**16.09**	7.63	**9.84**	7.26
Payable silver sold – koz	**766**	978	**2,170**	2,304

(1) 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 cost of sales.

Q3 2022 vs. Q3 2021

Production:

- Silver: 4% lower, primarily from lower grades due to mine sequencing, partially offset by higher throughput.
- By-products: lead and zinc production were 79% and 17% higher, respectively, while copper was 46% lower, all due to mine sequencing.

Cash Costs: increased $6.24 per ounce, primarily due to Inflationary and Supply Chain Cost Increases and lower payable silver ounces sold due to timing of copper concentrate shipments in the previous quarter and lower grades, which was partially offset by higher by-product credits per ounce.

Sustaining Capital: was higher than Q3 2021 due to increased spending on mine equipment replacements and refurbishments. The balance of Q3 2022 capital spending related to tailings storage facility expansions, equipment and facility leases, and mine ventilation infrastructure.

AISC: increased $8.46 as a result of the same factors that affected Cash Costs, in addition to higher sustaining capital per ounce.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Dolores Operation

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Ore tonnes mined – kt	**1,943.2**	598.7	**4,711.9**	6,429.4
Waste tonnes mined – kt	**6,706.7**	5,702.5	**20,060.4**	17,331.4
Tonnes placed – kt	**1,889.7**	1,895.1	**5,881.6**	5,717.4
Average silver grade – grams per tonne	**20**	16	**17**	17
Average gold grade – grams per tonne	**0.69**	0.95	**0.62**	1.06
Production:				
Silver – koz	**560**	486	**1,651**	1,732
Gold – koz	**32.5**	39.6	**102.3**	120.0
Payable Production:				
Silver – koz	**559**	485	**1,648**	1,729
Gold – koz	**32.5**	39.5	**102.1**	119.7
Cash Costs - $ per gold ounce(1)	**1,193**	767	**1,071**	699
Sustaining capital - $ thousands	**5,310**	11,214	**31,238**	28,469
AISC - $ per gold ounce(1)	**1,899**	1,026	**2,207**	844
Payable gold sold - koz	**33.4**	50.6	**108.4**	123.7

(1) 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 cost of sales.

(2) AISC excluding NRV Adjustments is $1,393 and $1,398 per ounce for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: $1,002 and $947, respectively). NRV adjustments included in AISC increased costs by $506 and $809 for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: $24 increase and $103 decrease, respectively).

Q3 2022 vs. Q3 2021

Production:

- Silver: 15% higher, primarily from mine sequencing into higher silver grade ores, partially offset by a lower ratio of silver ounces produced to ounces stacked from leach sequencing.
- Gold: 18% lower, primarily from mine sequencing into lower gold grade ores and a negative grade reconciliation related to Phase 9B of the open pit. The mining of Phase 9B was substantially completed in September, although leaching of this phase will continue into 2023. The lower grades were partially offset by a higher ratio of gold ounces recovered to stacked from leach sequencing.

Cash Costs: increased $426 per ounce, primarily due to lower gold grades from mine sequencing and the impact of Phase 9B ore reconciliation shortfalls and Inflationary and Supply Chain Cost Increases, partially offset by higher silver by-product credits per ounce.

Sustaining Capital: was lower than Q3 2021, largely due to a reduction in expenditures on capitalized waste mining, heap leach pad expansions, and plant and facility upgrades in Q3 2022.

AISC: increased $873 per ounce, primarily due to the impact of NRV inventory adjustments, in addition to the factors affecting quarter-over-quarter Cash Costs, partially offset by lower sustaining capital. The NRV inventory adjustments increased costs by $15.7 million, or $482 per ounce, in Q3 2022 relative to Q3 2021.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Shahuindo Operation

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Ore tonnes mined – kt	**3,578.1**	4,450.9	**10,561.1**	11,283.5
Waste tonnes mined – kt	**5,333.5**	4,889.8	**15,211.3**	13,075.6
Tonnes placed – kt	**3,747.8**	3,891.5	**10,784.5**	9,532.2
Average silver grade – grams per tonne	**6**	5	**5**	6
Average gold grade – grams per tonne	**0.55**	0.45	**0.46**	0.49
Production:				
Silver – koz	**59**	55	**184**	174
Gold – koz	**35.9**	37.3	**101.7**	97.1
Payable Production:				
Silver – koz	**59**	55	**182**	173
Gold – koz	**35.8**	37.3	**101.6**	97.0
Cash Costs - $ per gold ounce(1)	**1,023**	763	**989**	759
Sustaining capital - $ thousands(2)	**12,027**	8,269	**27,833**	19,700
AISC - $ per gold ounce(1)	**1,385**	951	**1,289**	964
Payable gold sold - koz	**35.1**	45.5	**99.0**	99.9

(1) 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 cost of sales.

(2) Sustaining capital expenditures exclude $0.2 million and $0.5 million of investing activity cash outflows for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: $0.1 million and $0.4 million, respectively) related to lease payments for the crushing and agglomeration plant, and is included in Other Projects, as disclosed in the “Project Development Update” section of this MD&A.

Q3 2022 vs. Q3 2021

Production:

- Gold: 4% lower, primarily due to a lower ratio of ounces recovered to stacked from leach sequencing, which offset the increase in grades during the quarter. Gold ounces in the heap increased by 14.7 thousand ounces in Q3 2022.

Cash Costs: were $260 per ounce higher, primarily due to higher operating costs per ounce from Inflationary and Supply Chain Cost Increases and higher waste-to-ore mining rates.

Sustaining Capital: increased relative to Q3 2021 expenditures, primarily driven by construction of a mine water treatment plant, waste dump preparation and increased expenditures for heap leach pad expansions, partially offset by lower expenditures for land purchases.

AISC: were $434 per ounce higher, largely due to the same factors affecting Cash Costs, in addition to the increased sustaining capital per ounce.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

La Arena Operation

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Ore tonnes mined – kt	**3,428.0**	2,713.9	**7,687.7**	6,817.6
Waste tonnes mined – kt	**5,186.5**	6,480.0	**18,779.0**	21,634.7
Tonnes placed – kt	**3,479.8**	2,713.9	**7,739.5**	6,817.6
Average silver grade – grams per tonne	**0.69**	0.51	**0.65**	0.60
Average gold grade – grams per tonne	**0.36**	0.34	**0.34**	0.37
Production:				
Silver – koz	**7**	9	**23**	29
Gold – koz	**21.5**	22.9	**62.3**	79.8
Payable Production:				
Silver – koz	**7**	9	**23**	29
Gold – koz	**21.5**	22.9	**62.2**	79.7
Cash Costs - $ per gold ounce(1)	**1,128**	930	**1,056**	742
Sustaining capital - $ thousands	**9,679**	8,258	**36,580**	35,484
AISC - $ per gold ounce(1)	**1,542**	1,240	**1,620**	1,178
Payable gold sold - koz	**25.1**	27.1	**68.7**	82.6

(1) 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 cost of sales.

Q3 2022 vs. Q3 2021

Production:

- Gold: 6% lower as a result of a reduction in the ratio of ounces recovered to ounces stacked due to the timing of leach sequencing. Gold ounces in the heap increased by 13.0 thousand ounces in the current quarter.

Cash Costs: increased by $198 per ounce, primarily reflecting higher operating costs per ounce due to Inflationary and Supply Chain Cost Increases, as well as higher consumption rates of caustic soda for water treatment.

Sustaining Capital: higher than Q3 2021, largely as a result of higher expenditures for heap leach pad expansions. The balance of Q3 2022 capital spending was comprised of capitalized deferred stripping, waste storage facility preparation, and payments for leased mine equipment.

AISC: increased by $302 per ounce, largely from the same factors affecting quarter-over-quarter Cash Costs, as well as higher sustaining capital and reclamation accretion per ounce.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Timmins Operation

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Ore tonnes mined – kt	**431.0**	374.2	**1,262.6**	1,188.3
Tonnes milled – kt	**427.0**	386.0	**1,246.4**	1,201.7
Average silver grade – grams per tonne	**—**	—	**—**	—
Average gold grade – grams per tonne	**2.42**	2.71	**2.63**	2.66
Production:				
Silver – koz	**3**	4	**12**	12
Gold – koz	**31.1**	33.0	**100.7**	99.6
Payable Production:				
Silver – koz	**3**	4	**11**	12
Gold – koz	**31.1**	33.0	**100.6**	99.5
Cash Costs - $ per gold ounce(1)	**1,382**	1,331	**1,362**	1,325
Sustaining capital - $ thousands(2)	**8,249**	9,634	**27,442**	27,479
AISC - $ per gold ounce(1)	**1,625**	1,618	**1,626**	1,620
Payable gold sold - koz	**34.3**	36.3	**104.4**	102.0

(1) 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 cost of sales.
(2) Sustaining capital expenditures exclude $0.5 million and $1.7 million of investing activity cash outflows for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: $1.8 million and $6.2 million, respectively) related to investment capital incurred on the Timmins projects, as disclosed in the "Project Development Update" section of this MD&A.

Q3 2022 vs. Q3 2021

Production:

- Gold: 6% lower, primarily due to lower grades from stope underperformance at Timmins West during Q3 2022 and mine sequencing, partially offset by higher throughput reflecting higher mining rates.

Cash Costs: increased $51 per ounce, primarily as a result of the impact of lower grades on operating costs per ounce, as Inflationary and Supply Chain Cost Increases were largely offset by improved productivity with the implementation of enhanced ground control measures at Bell Creek and a weaker Canadian Dollar.

Sustaining Capital: lower than Q3 2021, due to reduced expenditures on tailings storage facility expansions and near-mine exploration, partially offset by higher expenditures on mine equipment replacements and refurbishments.

AISC: the $7 per ounce increase reflects the same factors that affected Cash Costs, largely offset by lower sustaining capital per ounce.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Other Operations[1]

	Three months ended September 30, 2022			Three months ended September 30, 2021		
	Morococha	San Vicente	Manantial Espejo	Morococha	San Vicente	Manantial Espejo
Tonnes milled – kt	—	**88.8**	**179.4**	155.3	92.2	157.8
Average silver grade – grams per tonne	—	**275**	**168**	122	227	184
Average gold grade – grams per tonne			**1.19**			1.78
Average zinc grade - %	—	**3.21**		2.87	3.52	
Average lead grade - %	—	**0.30**		0.93	0.15	
Average copper grade - %	—	**0.16**		0.50	0.19	
Production:						
Silver – koz	—	**701**	**857**	547	606	813
Gold – koz	—	**0.03**	**6.41**	0.34	0.06	8.39
Zinc – kt	—	**2.31**		3.77	2.78	
Lead – kt	—	**0.23**		1.10	0.11	
Copper – kt	—	**0.10**		0.58	0.13	
Cash Costs - $ per silver ounce[2]	**N/A**	**12.98**	**23.69**	8.41	16.84	19.33
AISC - $ per silver ounce[2]	**N/A**	**13.49**	**22.80**	12.76	21.16	22.71

	Nine months ended September 30, 2022			Nine months ended September 30, 2021		
	Morococha	San Vicente	Manantial Espejo	Morococha	San Vicente	Manantial Espejo
Tonnes milled – kt	**100.5**	**248.6**	**482.7**	458.6	266.2	486.3
Average silver grade – grams per tonne	**112**	**253**	**177**	124	243	158
Average gold grade – grams per tonne			**1.27**			1.57
Average zinc grade - %	**3.12**	**2.99**		2.98	2.86	
Average lead grade - %	**0.96**	**0.29**		1.05	0.13	
Average copper grade - %	**0.60**	**0.20**		0.46	0.23	
Production:						
Silver – koz	**324**	**1,823**	**2,453**	1,635	1,908	2,145
Gold – koz	**0.15**	**0.08**	**17.69**	0.76	0.22	22.41
Zinc – kt	**2.67**	**6.08**		11.72	6.43	
Lead – kt	**0.73**	**0.62**		3.88	0.29	
Copper – kt	**0.47**	**0.38**		1.50	0.48	
Cash Costs - $ per silver ounce[2]	**5.68**	**14.65**	**20.43**	11.22	16.54	21.25
AISC - $ per silver ounce[2]	**7.08**	**17.92**	**23.91**	15.22	18.26	23.76

(1) Production figures reflect Pan American's 92.3% share of Morococha and 95% share of San Vicente, unless otherwise noted. Morococha was placed on care and maintenance in February 2022.
(2) 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 cost of sales.

Q3 2022 vs. Q3 2021

<u>Morococha:</u> the mine was placed on care and maintenance in February 2022 to complete the previously agreed closure of the Amistad processing plant while the Company evaluates strategic alternatives for the future of the operation.

<u>San Vicente:</u> higher silver and lead grades and reduced sustaining capital expenditures resulted in better cost performance in Q3 2022 relative to Q3 2021.

<u>Manantial Espejo:</u> the quarter-over-quarter gold production decrease is due to the lower gold grade ores processed, reflecting the completion of mining operations at COSE in April 2022, whereas the increase in silver production reflects higher ore mining rates at the Manantial Espejo underground operation and the Joaquin mine in Q3 2022.

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2022 ANNUAL OPERATING OUTLOOK

All 2022 forecast amounts in this section refer to the 2022 Original Operating Outlook, as provided in the Company's 2021 MD&A dated February 23, 2022, except for the Gold Segment AISC, and the Company's capital expenditures which refer to the August 2022 Revised Operating Outlook as provided in the Company's Q2 2022 MD&A dated August 10, 2022. These estimates are forward-looking statements and information that are subject to the cautionary note associated with forward-looking statements and information at the end of this MD&A.

Actual Relative to August 2022 Revised Operating Outlook:

The following table summarizes YTD 2022 metal production, Cash Costs and AISC compared to the August 2022 Revised Operating Outlook:

	August 2022 Revised Operating Outlook	YTD 2022 Actual
Silver – Moz	19.00 - 20.50	13.69
Gold – koz	550.0 - 605.0	388.1
Zinc – kt	35.0 - 40.0	28.1
Lead – kt	15.0 - 17.0	13.7
Copper – kt	5.5 - 6.5	4.0
Silver Segment Cash Costs	10.70 - 12.20	12.21
Silver Segment AISC	14.50 - 16.00	16.09
Gold Segment Cash Costs	970 - 1,070	1,127
Gold Segment AISC (excl. NRV)(1)	1,450 - 1,550	1,472

(1) Gold Segment AISC guidance provided excluding NRV adjustments due to Dolores heap inventory NRV adjustment YTD 2022 of $87.7 million driven by the updated life of mine plan and reserves which drove the Dolores impairment in Q2 2022.

2022 Original Operating Outlook for Silver & Gold Production:

Below was Management's breakdown for our 2022 Original Operating Outlook by quarter ("2022 Original Quarterly Expectations").

	2022 Original Quarterly Expectations				
	Q1	Q2	Q3	Q4	FY 2022
Silver Production (million ounces)	4.49 - 4.87	4.69 - 5.07	4.89 - 5.27	4.94 - 5.30	19.00 - 20.50
Gold Production (thousand ounces)	133.0 - 146.4	124.9 - 137.7	135.2 - 148.8	157.0 - 172.2	550.0 - 605.0
Silver Segment Cash Costs (1)	11.10 - 12.75	11.20 - 12.80	10.55 - 12.00	9.80 - 11.30	10.70 - 12.20
Silver Segment AISC (1)	17.00 - 18.50	16.00 - 17.50	13.00 - 14.50	12.00 - 13.50	14.50 - 16.00
Gold Segment Cash Costs (1)	980 - 1,080	990 - 1,090	995 - 1,095	915 - 1,005	970 - 1,070
Gold Segment AISC (1)	1,365 - 1,465	1,390 - 1,490	1,240 - 1,340	1,025 - 1,115	1,240 - 1,365

(1) 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 description of these calculations and a reconciliation of these measures to the Q3 2022 Financial Statements. The cash costs and AISC forecasts assume was prepared with the following assumptions: of $22.50/oz for silver, $3,000/tonne ($1.36/lb) for zinc, $2,200/tonne ($1.00/lb) for lead, $9,200/tonne ($4.17/lb) for copper, and $1,750/oz for gold; and average annual exchange rates relative to 1 USD of 20.00 for the Mexican peso ("MXN"), 4.10 for the Peruvian sol ("PEN"), 122.17 for the Argentine peso ("ARS"), 7.00 for the Bolivian boliviano ("BOB"), and $1.25 for the Canadian dollar ("CAD").

Q3 2022 production results were below the low end of our quarterly guidance range largely due to mine sequencing at La Colorada impacting silver production, and open pit mine and leach sequencing at Shahuindo and La Arena where high grade ores were stacked at the end of Q3 2022 impacting gold production. Additionally, at Shahuindo, the build-up of inventory was partially related to lower rainfall rates which impacted irrigation and recovered ounces during the quarter, despite stacked ounces exceeding expectations.

Based on YTD 2022 production results and the expected production for the remainder of the year, Management is revising full-year silver production to between 18.0 and 18.5 million ounces. The revision in estimated 2022 silver production is largely due to lower production at Dolores, and mine sequencing at La Colorada during the second half of 2022 into lower silver ore zones. Access to the higher grade stopes at La Colorada has been hindered, as the ventilation constraints previously reported and now resolved curtailed mine development of these zones. During Q3 2022, the Company deployed additional resources to accelerate development rehabilitations and advances to higher grade zones, and the Company expects to reestablish near reserve grade ore mine sequencing moving into 2023.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Based on YTD 2022 production results and the expected production for the remainder of the year, Management reaffirms the 2022 Original Operating Outlook for gold production. In particular, Management expects production at Shahuindo and La Arena to increase in Q4 2022.

Based on YTD 2022 Cash Costs and AISC results, Management reaffirms the 2022 Original Operating Outlook for Silver Segment Cash Costs and AISC. However, Management is continuing to assess the supply chain impacts and market distortions from the current global affairs which is having an adverse impact on the price of the Company's input costs, which could result in Silver Segment costs to be marginally above the high-end of the 2022 Original Operating Outlook.

Based on YTD 2022 Cash Costs and the Inflationary and Supply Chain Cost Increases impacting the price of the Company's input costs, Management now expects Gold Segment Cash Costs to be above the high-end of the 2022 Original Operating Outlook of between $970 to $1,070 per ounce. Management reaffirms the August 2022 Revised Operating Outlook for Gold Segment AISC of between $1,450 to $1,550 per ounce, which had incorporated Inflationary and Supply Chain Cost Increases and the added capital spending in Shahuindo and La Arena due to timing of cash outflows.

Capital Expenditures Relative to Forecast:

The following table summarizes the YTD 2022 capital expenditures compared to the August 2022 Revised Operating Outlook:

	2022 Capital Expenditures ($ millions)	
	August 2022 Revised Operating Outlook	YTD 2022 Actual
La Colorada	28.0 - 29.0	17.6
Huaron	16.0 - 19.0	10.0
Morococha	n/a	0.3
San Vicente	7.0 - 8.0	6.5
Manantial Espejo	2.0 - 3.0	3.6
Dolores	33.0 - 34.0	31.2
Shahuindo	57.0 - 58.0	27.8
La Arena	59.0 - 60.0	36.6
Timmins	38.0 - 39.0	27.4
Sustaining Capital Sub-total	**240.0 - 250.0**	**161.2**
La Colorada Skarn projects	50.0 - 55.0	49.9
Timmins projects	5.0	1.7
Other	n/a	0.5
Project Capital Sub-total	**55.0 - 60.0**	**52.1**
Total Capital	**295.0 - 310.0**	**213.3**

Based on YTD 2022 capital expenditures and the forecast for the remainder of the year, Management expects to be below the low end of the August 2022 Revised Operating Outlook for sustaining capital, however above the high end of the August 2022 Revised Operating Outlook for project capital given the progress in Q3 2022 on the La Colorada Skarn project exceeding expectations. The sustaining capital forecast for Shahuindo and La Arena is now expected to come in below the low end of the revised outlook given the Company's success in securing lease-like construction loan financing for a portion of the heap leach facility expansions.

PROJECT DEVELOPMENT UPDATE

The following table reflects the amounts spent on each of Pan American's major projects in Q3 2022 compared with Q3 2021, and YTD 2022 compared to YTD 2021.

Project Development Capital (thousands of USD)	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
La Colorada projects	**23,986**	10,759	**49,946**	22,942
Timmins projects	**465**	1,827	**1,725**	6,160
Other projects	**156**	164	**468**	477
Total	**$ 24,607**	$ 12,750	**$ 52,139**	$ 29,579

During Q3 2022, the Company invested $24.6 million, largely on exploration and advancing the La Colorada Skarn project, including construction of the new concrete-lined ventilation shaft.

OVERVIEW OF Q3 2022 FINANCIAL RESULTS

Selected Annual and Quarterly Information

The following tables set out selected quarterly results for the past ten quarters as well as selected annual results for the past two years. The dominant factors affecting results in the quarters and years presented below are the volatility of realized metal prices and the timing of sales, which vary with the timing of shipments and impairment charges.

2022 (In thousands of USD, other than per share amounts)	Quarter Ended		
	Mar 31	Jun 30	**Sep 30**
Revenue	$ 439,888	$ 340,469	**$ 338,889**
Mine operating earnings (loss)	$ 66,755	$ (31,652)	**$ (21,788)**
Earnings (loss) for the period attributable to equity holders	$ 76,517	$ (173,982)	**$ (71,527)**
Basic (loss) earnings per share	$ 0.36	$ (0.83)	**$ (0.34)**
Diluted (loss) earnings per share	$ 0.36	$ (0.83)	**$ (0.34)**
Cash flow from operating activities	$ 68,758	$ 20,835	**$ 54,418**
Cash dividends paid per share	$ 0.12	$ 0.11	**$ 0.11**
Other financial information			
Total assets	$ 3,540,297	$ 3,323,568	**$ 3,199,559**
Total long-term financial liabilities[1]	$ 303,984	$ 313,267	**$ 302,465**
Total attributable shareholders' equity	$ 2,683,201	$ 2,472,502	**$ 2,357,600**

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

2021	Quarter Ended				Year Ended
(In thousands of USD, other than per share amounts)	Mar 31	Jun 30	Sep 30	Dec 31	Dec 31
Revenue	$ 368,099	$ 382,132	$ 460,349	$ 422,170	**$ 1,632,750**
Mine operating earnings	$ 89,964	$ 103,048	$ 98,887	$ 76,039	**$ 367,938**
(Loss) earnings for the period attributable to equity holders	$ (7,798)	$ 70,939	$ 20,251	$ 14,036	**$ 97,428**
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	$ 29,850	$ 87,143	$ 157,017	$ 118,098	**$ 392,108**
Cash dividends paid per share	$ 0.07	$ 0.07	$ 0.10	$ 0.10	**$ 0.34**
Other financial information					
Total assets					**$ 3,518,584**
Total long-term financial liabilities(1)					**$ 297,600**
Total attributable shareholders' equity					**$ 2,631,554**

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

2020	Quarter Ended				Year Ended
(In thousands of USD, other than per share amounts)	Mar 31	Jun 30	Sep 30	Dec 31	Dec 31
Revenue	$ 358,428	$ 249,509	$ 300,414	$ 430,461	**$ 1,338,812**
Mine operating earnings	$ 50,058	$ 48,386	$ 124,561	$ 137,172	**$ 360,177**
(Loss) earnings for the period attributable to equity holders	$ (76,807)	$ 20,063	$ 65,741	$ 168,885	**$ 177,882**
Basic (loss) earnings per share	$ (0.37)	$ 0.10	$ 0.31	$ 0.80	**$ 0.85**
Diluted (loss) earnings per share	$ (0.37)	$ 0.10	$ 0.31	$ 0.80	**$ 0.85**
Cash flow from operating activities	$ 114,051	$ 62,750	$ 114,943	$ 170,571	**$ 462,315**
Cash dividends paid per share	$ 0.05	$ 0.05	$ 0.05	$ 0.07	**$ 0.22**
Other financial information					
Total assets					**$ 3,433,875**
Total long-term financial liabilities(1)					**$ 277,696**
Total attributable shareholders' equity					**$ 2,602,519**

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

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Income Statement: Q3 2022 vs. Q3 2021

Net loss of $71.2 million was recorded in Q3 2022 compared to net earnings of $20.2 million in Q3 2021, which corresponds to a basic loss per share of $0.34 and basic earnings of $0.10 per share, respectively.

The following table highlights the differences between the Q3 2021 and Q3 2022 net earnings:

Net earnings, three months ended September 30, 2021					**$**	**20,219**	**Note**
Revenue:							
Decreased realized metal prices			$	(33,891)			
Lower quantities of metal sold				(96,392)			
Decreased direct selling costs				5,519			
Decreased negative settlement adjustments				3,304			
Total decrease in revenue					**$**	**(121,460)**	**(1)**
Cost of sales:							
Decreased production costs	$	7,018					
Increased production costs, NRV		(12,640)					
Decreased royalty charges		1,125					
Increased production costs and decreased royalty charges				**(4,497)**			**(2)**
Decreased depreciation and amortization				5,282			**(3)**
Total decrease in cost of sales					**$**	**785**	
Decreased income tax expense						48,465	**(4)**
Decreased investment loss						12,610	**(6)**
Increased other income						7,373	
Decreased gains on sale of mineral properties, plant and equipment						(29,068)	**(5)**
Increased care and maintenance costs						(5,195)	
Increased losses on derivatives						(4,802)	
Other						(129)	
Net loss, three months ended September 30, 2022					**$**	**(71,202)**	

1) **Revenue** for Q3 2022 was $121.5 million lower than in Q3 2021 from decreased quantities of metal sold and lower metal prices. The quarter-over-quarter decrease in metal quantities sold reflects decreases in all metals though largely from gold, silver and copper sales, which decreased 21%, 12%, and 66%, respectively (see table below).

   The lower quantities sold resulted from lower gold dore inventory draw-downs and larger gold heap inventory build-ups at Shahuindo and La Arena, as described in the "Q3 2022 Highlights" and the "Operating Performance" sections of this MD&A. In addition, silver and base metals sold were lower due to Morococha being placed on care and maintenance in February 2022. The lower metal prices were due to a 22% and 4% decrease in realized metal prices for silver and gold, respectively, with other metal price variances largely offsetting each other. This was partially offset by $3.3 million in lower negative concentrate settlement price adjustments on open shipments and a $5.5 million decrease in net selling costs, primarily due to Morococha being placed on care and maintenance in February 2022.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

The following table reflects the metal prices realized by the Company and the quantities of metal sold during each quarter:

	Realized Metal Prices [(1)]		Quantities of Metal Sold [(2)]	
	Three months ended September 30,		Three months ended September 30,	
	2022	2021	**2022**	2021
Silver	**$ 18.76**	$ 24.16	**4,263**	4,869
Gold	**$ 1,705**	$ 1,782	**134.7**	170.0
Zinc	**$ 3,232**	$ 2,989	**8.6**	9.8
Lead	**$ 1,944**	$ 2,286	**4.1**	4.6
Copper	**$ 7,707**	$ 9,399	**0.8**	2.2

(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 Q3 2022 were $4.5 million higher than in Q3 2021 as a result of a $5.6 million, or 2%, increase in production costs, marginally offset by a $1.1 million decrease in royalty costs. All operations were affected by Inflationary and Supply Chain Cost Increases, as noted in the "Operating Performance" section of this MD&A. The largest factors that increased quarter-over-quarter production costs, which included this inflationary impact, are described below:

   i. $12.6 million from NRV inventory adjustments, which increased costs by $15.1 million in Q3 2022 compared to an increase of $2.5 million in Q3 2021. The increase in NRV inventory adjustments largely reflects increased heap inventory write-downs at Dolores from inflationary pressures and lower precious metal prices;

   ii. $11.0 million increase at the Silver Segment mines (exclusive of Morococha and NRV inventory adjustments), largely reflecting a provision for future mine closure severances at Manantial Espejo and Morococha in Q3 2022, and higher quantities sold at San Vicente; offset by

   iii. $18.7 million reduction in Morococha production costs in Q3 2022, with the mine having been placed on care and maintenance in February 2022.

3) **Depreciation and amortization ("D&A") expense** was $5.3 million lower than in Q3 2021. The decrease was largely the result of Morococha being on care and maintenance. Additionally, Dolores depreciation is calculated on a per tonne stacked basis and lower grades in Q3 2022 resulted in comparatively higher depreciation per ounce sold; this impact was largely offset by lower depreciation at Shahuindo and La Arena on lower sales volumes.

4) **Income tax expense** in Q3 2022 was $1.9 million compared to a $50.4 million expense in Q3 2021. The $48.5 million reduction in tax expense is primarily due to decreased income before tax of $139.9 million.

5) **Gains on sale of mineral property, plant and equipment** decreased by $29.1 million in Q3 2022 due to the sale of the Waterloo exploration stage asset in Q3 2021 with no comparable asset sales in Q3 2022.

6) **Investment loss** of $12.6 million in Q3 2022 compared to a $25.3 million loss in Q3 2021. Both losses were primarily driven by fair value mark-to-market adjustments on the Company's equity investment in New Pacific Metals Corp.

Statement of Cash Flows: Q3 2022 vs. Q3 2021

Cash flow from operations of $54.4 million in Q3 2022 was $102.6 million less than the $157.0 million generated in Q3 2021. The decrease was primarily driven by a $121.5 million decrease in revenue, as described above, $5.2 million increase in care and maintenance from Morococha, offset partially by trade and other receivable draw-downs and accounts payable build-ups.

Changes in working capital, other than cash, drove a $21.6 million source of cash in Q3 2022 compared with a $23.0 million source of cash in Q3 2021. The $1.4 million quarter-over-quarter decrease resulted largely from an $8.3 million increase in accounts payable and provisions, and a further $13.6 million from decreased trade receivables and prepaid expenses, partially offset by a $23.1 million use from inventory build-ups in Q3 2022 compared to inventory draw-downs in Q3 2021. The variance in Q3 2022 resulted from lower dore inventory draw-downs from timing of sales and larger heap inventory buildups at Shahuindo and La Arena due to mine sequencing.

Investing activities used $67.7 million in Q3 2022 inclusive of $24.6 million in project development capital, primarily related to the $69.1 million spent on mineral properties, plant and equipment ("MPP&E") at the Company’s mines and projects, as previously described in the “Operating Performance” and "Project Development Update" sections of this MD&A, partially offset by $1.2 million in proceeds from derivative settlements comprised of commodity and FX hedging contracts.

In Q3 2021, investing activities used $29.9 million inclusive of $12.8 million of project development capital, primarily from the $62.2 million spent on mineral properties, plant and equipment, which offset $29.9 million in proceeds from the consideration received on the sale of non-core exploration properties and $1.8 million in proceeds from derivative settlements comprised of commodity and foreign exchange hedging contracts.

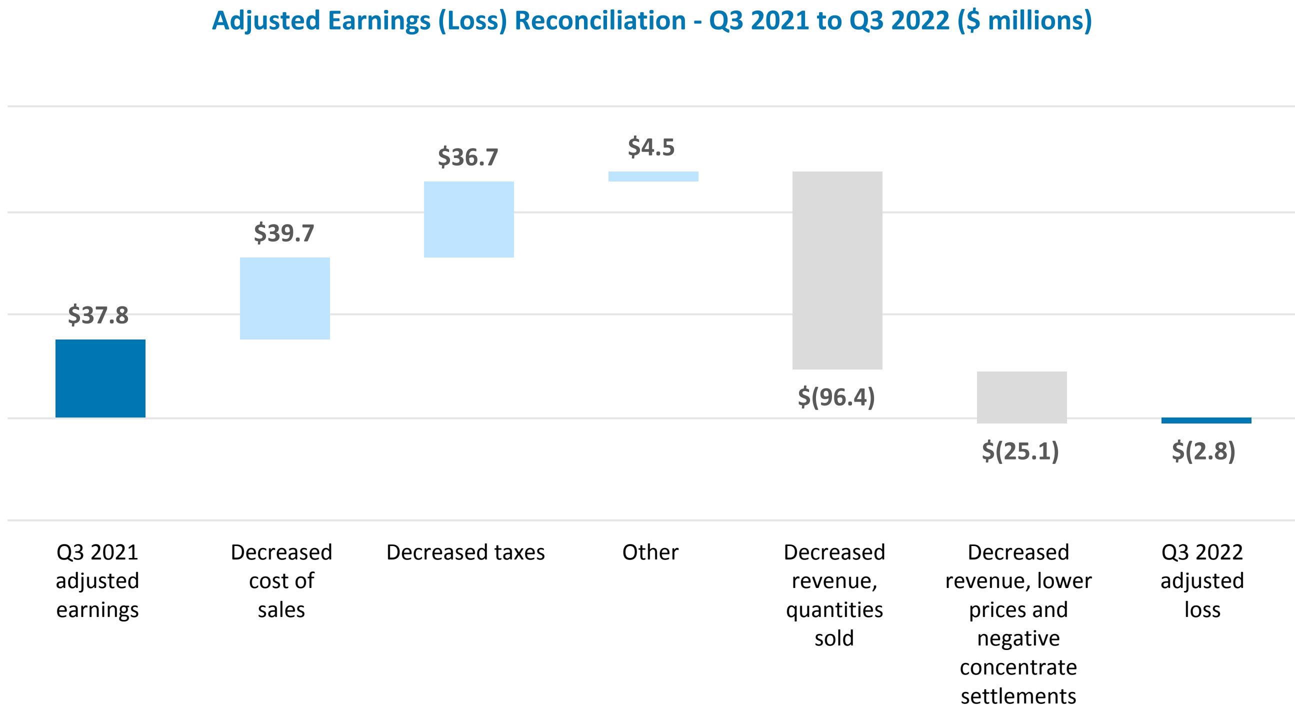
Financing activities in Q3 2022 used $26.4 million compared to $25.3 million used in Q3 2021. In Q3 2022, the Company paid $23.2 million in dividends, $4.2 million in lease repayments, and received $0.9 million in Peruvian loan proceeds, net of repayments. In Q3 2021, the Company paid $21.0 million in dividends, $3.1 million in lease payments, and $0.9 million in Peruvian loan repayments. The increase in dividend payments reflects the Company's dividend policy announced on February 24, 2022, as described in the Annual Information Form published on February 23, 2022.

Adjusted Earnings: Q3 2022 vs Q3 2021

Adjusted earnings is a non-GAAP measure. Please refer to the “Alternative Performance (Non-GAAP) Measures” section of this MD&A for a detailed description of “adjusted earnings”, and a reconciliation of these measures to the Q3 2022 Financial Statements.

Adjusted Loss was $2.8 million or $0.01 basic adjusted loss per share, in Q3 2022, compared to adjusted earnings of $37.8 million, or $0.18 basic adjusted earnings per share in Q3 2021. A reconciliation of adjusted earnings or loss for the three and nine months ended September 30, 2022 and 2021, to the net earnings or loss for each period is included in the “Alternative Performance (Non-GAAP) Measures” section of this MD&A.

The following chart illustrates the key factors leading to the change in adjusted earnings from Q3 2021 to Q3 2022:



(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Income Statement: YTD 2022 vs. YTD 2021

Net loss of $168.0 million was recorded in YTD 2022 compared to net earnings of $83.9 million in YTD 2021, which corresponds to a basic loss per share of $0.80 and basic earnings per share of $0.40, respectively.

The following table highlights the difference between net earnings in YTD 2022 compared with YTD 2021:

Net earnings, nine months ended September 30, 2021			**$ 83,898**	**Note**
Revenue:				
Decreased realized metal prices		$ (26,774)		
Lower quantities of metal sold		(70,916)		
Decreased direct selling costs		10,773		
Increased negative settlement adjustments		(4,417)		
Total decrease in revenue			**(91,334)**	**(1)**
Cost of sales:				
Increased production costs	$ (74,881)			
Increased production costs, NRV	(105,242)			
Decreased royalty charges	2,811			
Increased production costs and decreased royalty charges		**$ (177,312)**		**(2)**
Increased depreciation and amortization		(9,938)		**(3)**
Total decrease in cost of sales			**(187,250)**	
Decreased income tax expense			97,730	**(5)**
Increased gains and income from associates			40,975	**(6)**
Decreased investment loss			36,171	**(7)**
Increased impairment charges			(99,064)	**(4)**
Decreased gains on sale of mineral properties, plant and equipment			(34,023)	**(8)**
Increased care and maintenance costs			(12,131)	**(9)**
Increased foreign exchange loss			(4,781)	
Other			1,806	
Net loss, nine months ended September 30, 2022			**$ (168,003)**	

1) **Revenue** for YTD 2022 was $91.3 million lower than in YTD 2021, from decreased quantities of metal sold and lower metal prices. The year-over-year decrease in metal quantities sold was driven primarily by gold, zinc and copper with decreases of 7%, 25%, and 37%, respectively, and partially offset by an 8% increase in silver sold.

   The lower quantities sold were mainly driven by lower gold sales from grade-driven production decreases at Dolores and La Arena, and lower zinc and base metal sales from Morococha being placed on care and maintenance in February 2022. Lower copper sales were the result of lower grade-driven production at Huaron. The lower metal prices were due to a 15% decline in silver prices, partially offset by a 25% and 1% appreciation of zinc and gold prices, respectively.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

The following table reflects the metal prices realized by the Company and the quantities of metal sold during each period:

	Realized Metal Prices (1)				Quantities of Metal Sold (2)	
	Nine months ended September 30,				Nine months ended September 30,	
		2022		2021	2022	2021
Silver	**$**	**21.72**	$	25.68	**13,406**	12,403
Gold	**$**	**1,813**	$	1,792	**402.2**	432.2
Zinc	**$**	**3,603**	$	2,891	**24.5**	32.8
Lead	**$**	**2,162**	$	2,165	**13.0**	12.8
Copper	**$**	**9,318**	$	9,204	**3.6**	5.6

(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 YTD 2022 were $177.3 million higher than in YTD 2021. The increase was the result of a $180.1 million, or 27%, increase in production costs, offset marginally by a $2.8 million decrease in royalty costs. All operations were affected by Inflationary and Supply Chain Cost Increases. The largest factors that increased year-over-year production costs, which include this inflationary impact, are described below:

    i. $105.2 million from NRV inventory adjustments, which increased costs by $92.3 million in YTD 2022 compared to decreases of $12.9 million in YTD 2021. The increase in NRV inventory adjustments largely reflects increased heap inventory write-downs at Dolores, which resulted from the updates to the life of mine plan in Q2 2022, as well as the general inflationary pressures and lower prices;

    ii. $59.8 million from Gold Segment mines (exclusive of NRV inventory adjustments), largely reflecting higher waste-to-ore mining rates at Dolores and Shahuindo and increased costs expensed per ounce sold of revenue due to grade-driven production decreases at Dolores and La Arena; and,

    iii. $36.7 million from Silver Segment mines (exclusive of Morococha and NRV inventory adjustments), largely reflecting higher quantities sold at La Colorada, Manantial Espejo and San Vicente, and a provision for future mine closure severances at Manantial Espejo and Morococha; offset by

    iv. $41.1 million reduction in costs from Morococha being placed on care and maintenance in February 2022.

3) **D&A expense** was $9.9 million higher than YTD 2021, primarily from Dolores where depreciation is calculated on a per tonne stacked basis and lower grades in Q3 2022 resulted in comparatively higher depreciation, and from Manantial Espejo from accelerated depreciation due to decreasing mine life. Lower depreciation from Morococha being placed on care and maintenance in February 2022 partially offset these amounts.

4) **Impairment charge** of $99.1 million ($114.8 million, net of tax) was recorded on the Dolores mine in Q2 2022, with no such impairments recorded in 2021. The 2022 impairment related to the impairment of the Dolores mine assets disclosed in the Company's Q2 2022 MD&A.

5) **Income tax expense** of $20.2 million in YTD 2022 was $97.7 million lower than the $118.0 million in YTD 2021, largely as a result of the $349.6 million decrease in income before tax. The YTD 2022 tax expense was further reduced by the appreciation of the Mexican Peso and Peruvian Sol, which increased the foreign denominated deductible tax attributes in those countries (the largest being mineral property plant and equipment).

6) **Gains and income from associates** in YTD 2022 was $45.0 million compared to gains of $4.1 million in YTD 2021. The YTD 2022 gains and income resulted from the March 21, 2022 re-designation of the Company's investment in 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 financial asset" recorded at fair value beginning on March 31, 2022. The YTD 2021 gains were attributable to the Company accounting for Maverix using the equity method.

7) **Investment losses** were $17.5 million in YTD 2022, a $36.2 million positive variance relative to YTD 2021 investment losses of $53.6 million, both driven primarily by fair value mark-to-market adjustments on the Company's equity investment in New Pacific Metals Corp.

8) **Mineral properties, plant and equipment gains** were $34.0 million less in YTD 2021 because the comparative period included the sale of the Waterloo exploration stage asset.

9) **Care and maintenance expenses** increased in YTD 2022 by $12.1 million due to Morococha being placed on care and maintenance in February 2022.

Statement of Cash Flows: YTD 2022 vs. YTD 2021

Cash flow from operations in YTD 2022 was $144.0 million, $130.0 million less than the $274.0 million generated in YTD 2021. The decrease was mostly related by a $91.3 million decrease in revenue, as described above, a $55.4 million increase in production costs excluding NRVs, $17.4 million in mine closure severances, and a $14.7 million increase in income taxes paid, partially offset by a $48.4 million decrease in cash used from working capital changes.

Changes in working capital, other than cash, used $13.0 million of cash in YTD 2022 compared with $61.4 million used in YTD 2021. The $48.4 million decrease in cash used in YTD 2022 compared to YTD 2021 resulted from $39.2 million provided by inventory drawdowns, which mainly resulted from the larger prior year buildup of leach pad inventory at Dolores and Shahuindo eclipsing smaller leach pad inventory buildups at La Arena and Shahuindo in the current year. Decreased trade receivables and prepaid expenses contributed a further $13.7 million, and increased trade payables and provisions provided $4.5 million in cash reductions compared to YTD 2021.

Investing activities utilized $187.2 million in YTD 2022 inclusive of $52.1 million of project development capital, primarily related to the $202.3 million spent on mineral properties, plant and equipment at the Company's mines and projects, which was partially offset by the $8.2 million in proceeds from the disposition of mineral properties, plant and equipment, which included $7.0 million received from a third-party as partial compensation for the closure and reclamation of the Morococha mine processing facility.

In YTD 2021, investing activities utilized $120.3 million inclusive of $29.6 million of project development capital, largely from the $173.3 million spent on mineral properties, plant and equipment at the Company's mines and projects, which was partially offset by $44.7 million in proceeds from the disposition of certain royalty assets and the deposits on the Waterloo sale.

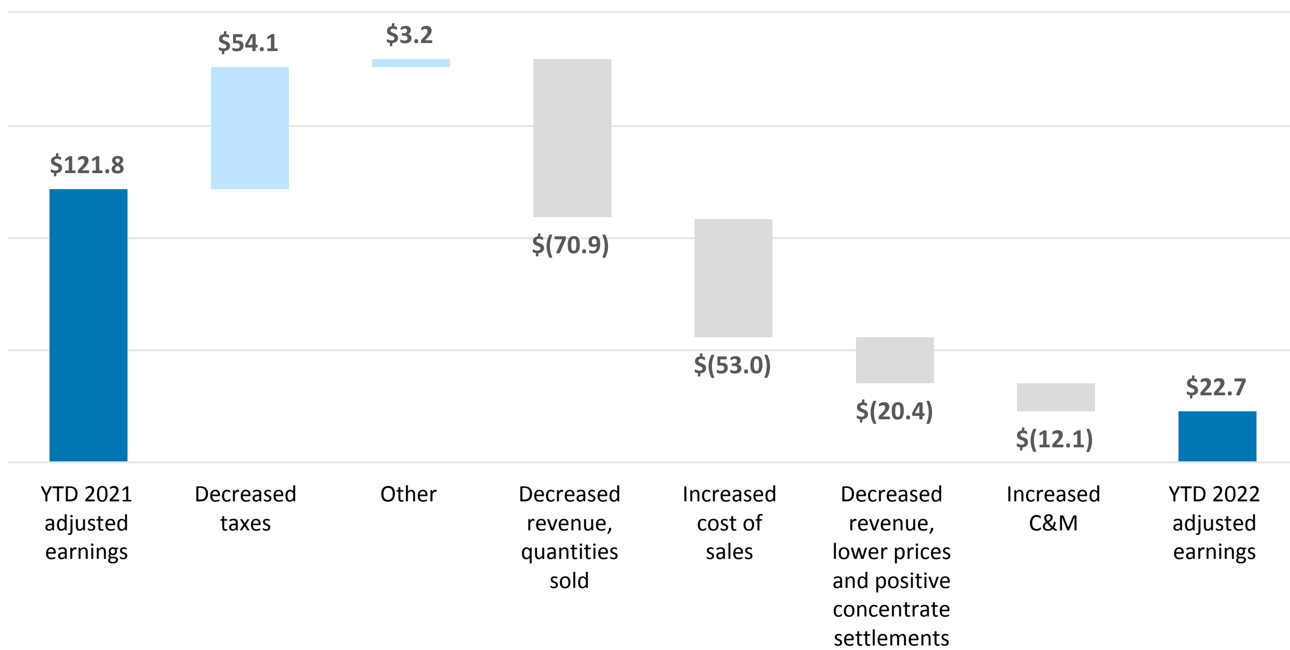
Financing activities in YTD 2022 utilized $84.3 million compared to a $60.9 million used in the comparative period. In YTD 2022, the Company paid $73.7 million in dividends, $11.1 million in lease repayments, and received $0.3 million in Peruvian loan proceeds, net of repayments. In YTD 2021, the Company paid $50.5 million in dividends, $9.0 million in lease repayments, and received $0.9 million in Peruvian loan proceeds, net of repayments.

Adjusted Earnings: YTD 2022 vs YTD 2021

Adjusted earnings is a non-GAAP measure. Please refer to the "Alternative Performance (Non-GAAP) Measures" section of this MD&A for a detailed description of "adjusted earnings", and a reconciliation of these measures to the Q3 2022 Financial Statements.

Adjusted Earnings was $22.7 million or $0.11 basic adjusted earnings per share, in YTD 2022, compared to adjusted earnings of $121.8 million, or $0.58 basic adjusted earnings per share in YTD 2021.

The following chart illustrates the key factors leading to the change in adjusted earnings from YTD 2021 to YTD 2022:



LIQUIDITY AND CAPITAL POSITION

Liquidity and Capital Measures (in $000s)	September 30, 2022	June 30, 2022	December 31, 2021	Q3 2022 Change	YTD 2022 Change
Cash and cash equivalents ("Cash")	$ **153,079**	$ 194,829	$ 283,550	$ (41,750)	$ (130,471)
Short-term Investments	$ **34,091**	$ 46,430	$ 51,723	$ (12,339)	$ (17,632)
Cash and Short-term investments	$ **187,170**	$ 241,259	$ 335,273	$ (54,089)	$ (148,103)
Working Capital	$ **422,097**	$ 513,921	$ 613,494	$ (91,824)	$ (191,397)
SL-Credit Facility committed amount	$ **500,000**	$ 500,000	$ 500,000	$ —	$ —
Shareholders' equity	$ **2,357,600**	$ 2,472,502	$ 2,631,554	$ (114,902)	$ (273,954)
Total debt (1)	$ **68,465**	$ 63,223	$ 45,861	$ 5,242	$ 22,604
Capital (1)	$ **2,238,895**	$ 2,294,466	$ 2,342,142	$ (55,571)	$ (103,247)

(1) Total debt is a non-GAAP measure calculated as the total of amounts drawn on the SL-Credit Facility, finance lease liabilities and loans payable. Capital is a non-GAAP measure and consists of shareholders' equity and debt net of cash and cash equivalents and short term investments. Please refer to the "Alternative Performance (Non-GAAP) Measures" section of this MD&A for a detailed description of the calculations.

Liquidity and Capital Resources

The Company's cash and short term investments decreased by $54.1 million during Q3 2022. The decrease was driven by a $41.8 million decrease in cash and cash equivalents from the previously described investments in MPP&E additions and dividend payments, which were partially offset by $74.8 million of operating cash flows before income tax payments.

Pan American's investment objectives for its cash balances are to preserve capital, to provide liquidity and to 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

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

Directors, and by diversifying the currencies in which it maintains its cash balances. The Company does not own any asset-backed commercial paper or other similar, known, at-risk investments in its investment portfolio.

Working capital of $422.1 million at September 30, 2022 was $191.4 million lower than working capital of $613.5 million at December 31, 2021. The Company also maintains a long term investment in Maverix that was valued at $87.0 million at September 30, 2022.

As of September 30, 2022, the Company was in compliance with all financial covenants under the $500 million revolving SL-Credit Facility, which was undrawn. The borrowing costs under the Company's SL-Credit Facility are based on the Company's leverage ratio subject to pricing adjustments based on the Company's sustainability performance ratings and scores at either (i) LIBOR plus 1.825% to 2.80% or; (ii) The Bank of Nova Scotia's Base Rate on U.S. dollar denominated commercial loans plus 0.825% to 1.80%. Undrawn amounts under the SL-Credit Facility are subject to a stand-by fee of 0.41% to 0.63% per annum, dependent on the Company's leverage ratio and subject to pricing adjustments based on sustainability performance ratings and scores. The Company's SL-Credit Facility matures on August 8, 2025.

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 September 30, 2022, 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 2022 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.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments, details of which are described in Note 8(e)(ii) of the 2021 Annual Financial Statements, and in the "Liquidity and Capital Position" section of the Company's annual 2021 Management Discussion and Analysis (the "2021 Annual MD&A"). Since December 31, 2021, there have been no significant changes to these contractual obligations and commitments.

The impact of inflation on the Company’s financial position, operational performance, or cash flows over the next 12 months cannot be determined with any degree of certainty due to a number of uncertainties, including those related to the COVID-19 pandemic.

Outstanding Share Amounts

As at September 30, 2022, the Company had approximately 0.2 million stock options outstanding (each exercisable for one common share of the Company), with exercise prices in the range of CAD $9.76 to CAD $39.48 and a weighted average life of 3.6 years. Approximately 0.2 million of the stock options were vested and exercisable at September 30, 2022, with an average weighted exercise price of CAD $19.29 per share.

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

	Outstanding as at November 9, 2022
Common shares	210,538,209
Options	201,774
Total	**210,739,983**

As part of the acquisition of Tahoe Resources Inc. ("Tahoe") on February 22, 2019, the Company issued 313,887,490 Contingent Value Rights ("CVRs"), with a term of 10 years, which are convertible into 15,600,208 common shares upon the first commercial shipment of concentrate following the restart of operations at the Escobal mine. As of September 30, 2022, there were 313,883,990 CVRs outstanding which were convertible into 15,600,034 common shares.

CLOSURE AND DECOMMISSIONING COST 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 September 30, 2022 was $508.1 million (December 31, 2021 - $413.0 million) using inflation rates of between 1% and 6% (December 31, 2021 - between 1% and 5%). The inflated and discounted provision on the statement of financial position as at September 30, 2022 was $238.0 million (December 31, 2021 - $242.9 million), using discount rates between 3% and 11% (December 31, 2021 - between 1% and 9%). 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 paid through 2047, or later if the mine lives are extended. Revisions made to the reclamation obligations in Q3 2022 were primarily a result of increased inflation rates, increased discount rates from higher government debt yields, 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 Q3 2022 and YTD 2022 as finance expense was $3.7 million and $11.1 million, respectively (Q3 2021 and YTD 2021 - $1.9 million and $5.6 million, respectively). Reclamation expenditures incurred during Q3 2022 and YTD 2022 were $0.8 million and $2.6 million, respectively (Q3 2021 and YTD 2021 - $2.5 million and $4.3 million, respectively).

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. There were no other related party transactions for the three and nine months ended September 30, 2022 and 2021.

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 silver revenues ("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 (sustaining capital), as well as other items that affect the Company's consolidated cash flow.

To facilitate a better understanding of these measure 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.

	Silver Segment		Gold Segment	
(In thousands of USD, except as noted)	Three months ended September 30, 2022	Three months ended September 30, 2021	Three months ended September 30, 2022	Three months ended September 30, 2021
Production costs[1]	$ 89,271	$ 110,733	$ 176,475	$ 158,695
Purchase Price Allocation Inventory Fair Value Adjustment	—	—	—	(119)
NRV inventory adjustments	1,787	(1,270)	(16,883)	(1,185)
On-site direct operating costs	**91,058**	**109,462**	**159,592**	**157,392**
Royalties	3,842	3,379	3,883	5,471
Smelting, refining and direct selling charges[2]	11,595	17,149	75	40
Cash cost of sales before by-product credits	**106,496**	**129,990**	**163,550**	**162,903**
Silver segment by-product credits[2]	(53,367)	(79,789)	—	—
Gold segment by-product credits[2]	—	—	(12,065)	(15,859)
Cash Costs	**$ 53,129**	**$ 50,201**	**$ 151,485**	**$ 147,044**
NRV inventory adjustments	(1,787)	1,270	16,883	1,185
Sustaining capital	13,444	15,532	35,266	37,376
Exploration and project development[3]	—	1,136	—	773
Reclamation cost accretion[4]	528	504	2,812	1,129
All-in sustaining costs	**$ 65,314**	**$ 68,643**	**$ 206,445**	**$ 187,507**
Silver segment silver ounces sold (koz)	3,634	4,211	—	—
Gold segment gold ounces sold (koz)	—	—	128	160
Cash costs per ounce sold	**$ 14.62**	**$ 11.92**	**$ 1,184**	**$ 922**
AISC per ounce sold	**$ 17.97**	**$ 16.30**	**$ 1,614**	**$ 1,176**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 18.46**	**$ 16.00**	**$ 1,482**	**$ 1,168**

	Silver Segment				Gold Segment			
(In thousands of USD, except as noted)	**Nine months ended September 30, 2022**		**Nine months ended September 30, 2021**		**Nine months ended September 30, 2022**		**Nine months ended September 30, 2021**	
Production costs[(1)]	$	279,665	$	277,552	$	545,239	$	384,486
Purchase Price Allocation Inventory Fair Value Adjustment		—				—		(549)
NRV inventory adjustments		(4,659)		179		(87,651)		12,755
On-site direct operating costs		**275,006**		**277,730**		**457,588**		**396,692**
Royalties		13,543		15,280		13,472		14,547
Smelting, refining and direct selling charges[(2)]		41,529		52,317		153		138
Cash cost of sales before by-product credits		**330,079**		**345,327**		**471,214**		**411,376**
Silver segment by-product credits[(2)]		(190,009)		(218,123)		—		—
Gold segment by-product credits[(2)]		—		—		(42,461)		(52,574)
Cash Costs	**$**	**140,069**	**$**	**127,204**	**$**	**428,752**	**$**	**358,802**
NRV inventory adjustments		4,659		(179)		87,651		(12,755)
Sustaining capital		38,084		40,211		123,094		111,132
Exploration and project development[(3)]		—		2,289		—		2,756
Reclamation cost accretion[(4)]		1,706		1,513		8,435		3,387
All-in sustaining costs	**$**	**184,519**	**$**	**171,037**	**$**	**647,932**	**$**	**463,323**
Silver segment silver ounces sold (koz)		11,469		10,361		—		—
Gold segment gold ounces sold (koz)		—		—		381		408
Cash costs per ounce sold	**$**	**12.21**	**$**	**12.28**	**$**	**1,127**	**$**	**879**
AISC per ounce sold	**$**	**16.09**	**$**	**16.51**	**$**	**1,703**	**$**	**1,135**
AISC per ounce sold (excluding NRV inventory adjustments)	**$**	**15.68**	**$**	**16.52**	**$**	**1,472**	**$**	**1,166**

(1) Silver Segment production costs exclude amounts relating to mine operation severance payments and other accruals at Morococha and Manantial Espejo, which increased Production Costs by $9.3 million and $15.2 million for Q3 2022 and YTD 2022, respectively. Gold Segment production costs exclude amounts relating to mine operations severance payments and other accruals at Dolores related to the closure of the underground mine, which increased production costs by $0.1 million and $2.2 million in Q3 2022 and YTD 2022, respectively.

(2) Included in the revenue line of the consolidated income statements. By-product credits are reflective of realized metal prices for the applicable periods.

(3) Exploration and project development expenditures exclude $2.8 million and $9.8 million for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: $0.5 million and $2.0 million, respectively) of exploration expenditures related to non-operating properties.

(4) Reclamation cost accretion excludes $0.4 million and $1.0 million for Q3 2022 and YTD 2022, respectively, (Q3 2021 and YTD 2021: $0.2 million and $0.7 million, respectively) of accretion related to non-operating properties.

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. The project capital excluded in the reconciliation below is further described in the "Project Development Update" section of this MD&A.

Reconciliation of payments for mineral properties, plant and equipment and sustaining capital	Three months ended September 30,		Nine months ended September 30,	
(in thousands of USD)	**2022**	2021	**2022**	2021
Payments for mineral properties, plant and equipment[1]	**$ 69,073**	$ 62,190	**$ 202,326**	$ 173,331
Add/(Subtract)				
Lease Payments[1]	**4,240**	3,145	**11,130**	8,980
Repayment of loans[2]	**1,635**	850	**3,596**	850
Investment (non-sustaining) capital	**(26,239)**	(13,277)	**(55,874)**	(31,819)
Sustaining Capital	**$ 48,710**	$ 52,908	**$ 161,178**	$ 151,342

(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 September 30, 2022					
(In thousands of USD, except as noted)	La Colorada	Huaron	Morococha	San Vicente	Manantial Espejo	Consolidated Silver Segment
Production Costs	$ 24,430	$ 27,594	$ —	$ 12,754	$ 24,493	$ 89,271
NRV inventory adjustments	—	—	—	—	1,787	1,787
On-site direct operating costs	**24,430**	**27,594**	**—**	**12,754**	**26,280**	**91,058**
Royalties	117	—	—	3,080	645	3,842
Smelting, refining & direct selling costs	2,995	4,488	—	2,352	1,760	11,595
Cash Costs before by-product credits	**27,543**	**32,082**	**—**	**18,186**	**28,685**	**106,496**
Silver segment by-product credits	(10,006)	(23,708)	—	(9,342)	(10,311)	(53,367)
Cash Costs	**$ 17,537**	**$ 8,374**	**$ —**	**$ 8,844**	**$ 18,373**	**$ 53,129**
NRV inventory adjustments	—	—	—	—	(1,787)	(1,787)
Sustaining capital	8,452	3,753	—	266	973	13,444
Exploration and project development	—	—	—	—	—	—
Reclamation cost accretion	127	199	—	80	122	528
All-in sustaining costs	**$ 26,117**	**$ 12,327**	**$ —**	**$ 9,189**	**$ 17,681**	**$ 65,314**
Silver segment silver ounces sold (koz)	**1,411**	**766**	**—**	**681**	**775**	**3,634**
Cash cost per ounce sold	**$ 12.43**	**$ 10.93**	**N/A**	**$ 12.98**	**$ 23.69**	**$ 14.62**
AISC per ounce sold	**$ 18.50**	**$ 16.09**	**N/A**	**$ 13.49**	**$ 22.80**	**$ 17.97**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 18.50**	**$ 16.09**	**N/A**	**$ 13.49**	**$ 25.11**	**$ 18.46**

SILVER SEGMENT	Three months ended September 30, 2021					
(In thousands of USD, except as noted)	La Colorada	Huaron	Morococha	San Vicente	Manantial Espejo	Consolidated Silver Segment
Production Costs	$ 28,222	$ 25,702	$ 18,687	$ 6,599	$ 31,523	$ 110,733
NRV inventory adjustments	—	—	—	—	(1,270)	(1,270)
On-site direct operating costs	**28,222**	**25,702**	**18,687**	**6,599**	**30,253**	**109,462**
Royalties	52	—	—	2,597	729	3,379
Smelting, refining & direct selling costs	3,624	6,016	4,746	1,029	1,734	17,149
Cash Costs before by-product credits	**31,898**	**31,718**	**23,433**	**10,225**	**32,715**	**129,990**
Silver segment by-product credits	(12,325)	(27,132)	(19,087)	(4,193)	(17,053)	(79,789)
Cash Costs	**$ 19,573**	**$ 4,587**	**$ 4,346**	**$ 6,032**	**$ 15,663**	**$ 50,201**
NRV inventory adjustments	—	—	—	—	1,270	1,270
Sustaining capital	7,992	2,744	1,963	1,480	1,353	15,532
Exploration and project development	927	—	209	—	—	1,136
Reclamation cost accretion	113	139	75	65	112	504
All-in sustaining costs	**$ 28,604**	**$ 7,470**	**$ 6,593**	**$ 7,577**	**$ 18,398**	**$ 68,643**
Silver segment silver ounces sold (koz)	**1,548**	**978**	**517**	**358**	**810**	**4,211**
Cash cost per ounce sold	**$ 12.65**	**$ 4.69**	**$ 8.41**	**$ 16.84**	**$ 19.33**	**$ 11.92**
AISC per ounce sold	**$ 18.48**	**$ 7.63**	**$ 12.76**	**$ 21.16**	**$ 22.71**	**$ 16.30**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 18.48**	**$ 7.63**	**$ 12.76**	**$ 21.16**	**$ 21.14**	**$ 16.00**

SILVER SEGMENT	Nine months ended September 30, 2022					
(In thousands of USD, except as noted)	La Colorada	Huaron	Morococha	San Vicente	Manantial Espejo	Consolidated Silver Segment
Production Costs	$ 70,380	$ 73,645	$ 15,325	$ 38,525	$ 81,789	$ 279,665
NRV inventory adjustments	—	—	—	—	(4,659)	(4,659)
On-site direct operating costs	**70,380**	**73,645**	**15,325**	**38,525**	**77,131**	**275,006**
Royalties	584	—	—	10,316	2,643	13,543
Smelting, refining & direct selling costs	9,723	16,050	3,575	6,277	5,904	41,529
Cash Costs before by-product credits	**80,687**	**89,695**	**18,900**	**55,119**	**85,677**	**330,079**
Silver segment by-product credits	(34,461)	(78,919)	(17,005)	(24,720)	(34,904)	(190,009)
Cash Costs	**$ 46,226**	**$ 10,776**	**$ 1,895**	**$ 30,399**	**$ 50,773**	**$ 140,069**
NRV inventory adjustments	—	—	—	—	4,659	4,659
Sustaining capital	17,586	9,987	345	6,542	3,624	38,084
Exploration and project development						—
Reclamation cost accretion	382	597	122	240	365	1,706
All-in sustaining costs	**$ 64,194**	**$ 21,360**	**$ 2,363**	**$ 37,181**	**$ 59,421**	**$ 184,519**
Silver segment silver ounces sold (koz)	**4,406**	**2,170**	**334**	**2,075**	**2,485**	**11,469**
Cash cost per ounce sold	**$ 10.49**	**$ 4.97**	**$ 5.68**	**$ 14.65**	**$ 20.43**	**$ 12.21**
AISC per ounce sold	**$ 14.57**	**$ 9.84**	**$ 7.08**	**$ 17.92**	**$ 23.91**	**$ 16.09**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 14.57**	**$ 9.84**	**$ 7.08**	**$ 17.92**	**$ 22.03**	**$ 15.68**

SILVER SEGMENT	Nine months ended September 30, 2021					
(In thousands of USD, except as noted)	La Colorada	Huaron	Morococha	San Vicente	Manantial Espejo	Consolidated Silver Segment
Production Costs	$ 47,732	$ 68,212	$ 56,463	$ 28,837	$ 76,308	$ 277,552
NRV inventory adjustments	—	—	—	—	179	179
On-site direct operating costs	**47,732**	**68,212**	**56,463**	**28,837**	**76,486**	**277,730**
Royalties	251	—	—	13,046	1,983	15,280
Smelting, refining & direct selling costs	7,421	17,133	15,529	6,805	5,428	52,317
Cash Costs before by-product credits	**55,404**	**85,346**	**71,991**	**48,688**	**83,897**	**345,327**
Silver segment by-product credits	(28,344)	(75,946)	(54,407)	(19,190)	(40,236)	(218,123)
Cash Costs	**$ 27,060**	**$ 9,400**	**$ 17,585**	**$ 29,498**	**$ 43,661**	**$ 127,204**
NRV inventory adjustments	—	—	—	—	(179)	(179)
Sustaining capital	19,660	6,905	5,773	2,871	5,002	40,211
Exploration and project development	2,017	—	271	—	—	2,289
Reclamation cost accretion	339	418	224	196	337	1,513
All-in sustaining costs	**$ 49,076**	**$ 16,723**	**$ 23,853**	**$ 32,566**	**$ 48,820**	**$ 171,037**
Silver segment silver ounces sold (koz)	**2,652**	**2,304**	**1,568**	**1,783**	**2,055**	**10,361**
Cash cost per ounce sold	**$ 10.20**	**$ 4.08**	**$ 11.22**	**$ 16.54**	**$ 21.25**	**$ 12.28**
AISC per ounce sold	**$ 18.50**	**$ 7.26**	**$ 15.22**	**$ 18.26**	**$ 23.76**	**$ 16.51**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 18.50**	**$ 7.26**	**$ 15.22**	**$ 18.26**	**$ 23.85**	**$ 16.52**

Gold Segment Cash Costs and AISC by mine:

GOLD SEGMENT (In thousands of USD, except as noted)	Three months ended September 30, 2022 Dolores	Shahuindo	La Arena	Timmins	Consolidated Gold Segment
Production Costs	$ 65,611	$ 36,523	$ 28,504	$ 45,837	$ 176,475
Purchase Price Allocation Inventory Fair Value Adjustment	—	—	—	—	—
NRV inventory adjustments	(16,883)	—	—	—	(16,883)
On-site direct operating costs	**48,728**	**36,523**	**28,504**	**45,837**	**159,592**
Royalties	2,419	—	—	1,464	3,883
Smelting, refining & direct selling costs	9	—	—	66	75
Cash Costs before by-product credits	**51,156**	**36,523**	**28,504**	**47,367**	**163,550**
Gold segment by-product credits	(11,274)	(628)	(147)	(17)	(12,065)
Cash Costs of Sales	**$ 39,882**	**$ 35,896**	**$ 28,357**	**$ 47,350**	**$ 151,485**
NRV inventory adjustments	16,883	—	—	—	16,883
Sustaining capital	5,310	12,027	9,679	8,249	35,266
Exploration and project development	—	—	—	—	—
Reclamation cost accretion	1,382	645	741	43	2,812
All-in sustaining costs	**$ 63,458**	**$ 48,568**	**$ 38,777**	**$ 55,642**	**$ 206,445**
Gold segment gold ounces sold	**33,425**	**35,077**	**25,140**	**34,250**	**127,892**
Cash cost per ounce sold	**$ 1,193**	**$ 1,023**	**$ 1,128**	**$ 1,382**	**$ 1,184**
AISC per ounce sold	**$ 1,899**	**$ 1,385**	**$ 1,542**	**$ 1,625**	**$ 1,614**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 1,393**	**$ 1,385**	**$ 1,542**	**$ 1,625**	**$ 1,482**

GOLD SEGMENT (In thousands of USD, except as noted)	Three months ended September 30, 2021 Dolores	Shahuindo	La Arena	Timmins	Consolidated Gold Segment
Production Costs	$ 50,438	$ 36,264	$ 25,380	$ 46,613	$ 158,695
Purchase Price Allocation Inventory Fair Value Adjustment	—	(119)	—	—	(119)
NRV inventory adjustments	(1,185)	—	—	—	(1,185)
On-site direct operating costs	**49,253**	**36,145**	**25,380**	**46,613**	**157,392**
Royalties	3,698	—	—	1,773	5,471
Smelting, refining & direct selling costs	9	—	—	31	40
Cash Costs before by-product credits	**52,960**	**36,145**	**25,380**	**48,417**	**162,903**
Gold segment by-product credits	(14,140)	(1,399)	(231)	(88)	(15,859)
Cash Costs of Sales	**$ 38,819**	**$ 34,746**	**$ 25,149**	**$ 48,329**	**$ 147,044**
NRV inventory adjustments	1,185	—	—	—	1,185
Sustaining capital	11,214	8,269	8,258	9,634	37,376
Exploration and project development	13	—	—	760	773
Reclamation cost accretion	701	263	150	15	1,129
All-in sustaining costs	**$ 51,933**	**$ 43,279**	**$ 33,557**	**$ 58,738**	**$ 187,507**
Gold segment gold ounces sold	**50,639**	**45,512**	**27,056**	**36,300**	**159,507**
Cash cost per ounce sold	**$ 767**	**$ 763**	**$ 930**	**$ 1,331**	**$ 922**
AISC per ounce sold	**$ 1,026**	**$ 951**	**$ 1,240**	**$ 1,618**	**$ 1,176**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 1,002**	**$ 951**	**$ 1,240**	**$ 1,618**	**$ 1,168**

GOLD SEGMENT — **Nine months ended September 30, 2022**

(In thousands of USD, except as noted)	Dolores	Shahuindo	La Arena	Timmins	Consolidated Gold Segment
Production Costs	$ 232,940	$ 102,079	$ 73,184	$ 137,036	$ 545,239
Purchase Price Allocation Inventory Fair Value Adjustment	—	—	—	—	—
NRV inventory adjustments	(87,651)	—	—	—	(87,651)
On-site direct operating costs	**145,289**	**102,079**	**73,184**	**137,036**	**457,588**
Royalties	8,330	—	—	5,143	13,472
Smelting, refining & direct selling costs	23	—	—	130	153
Cash Costs before by-product credits	**153,642**	**102,079**	**73,184**	**142,308**	**471,214**
Gold segment by-product credits	(37,555)	(4,149)	(612)	(146)	(42,461)
Cash Costs of Sales	**$ 116,087**	**$ 97,931**	**$ 72,572**	**$ 142,162**	**$ 428,752**
NRV inventory adjustments	87,651	—	—	—	87,651
Sustaining capital	31,238	27,833	36,580	27,442	123,094
Exploration and project development					—
Reclamation cost accretion	4,147	1,936	2,223	130	8,435
All-in sustaining costs	**$ 239,123**	**$ 127,700**	**$ 111,375**	**$ 169,734**	**$ 647,932**
Gold segment gold ounces sold	**108,359**	**99,033**	**68,744**	**104,400**	**380,536**
Cash cost per ounce sold	**$ 1,071**	**$ 989**	**$ 1,056**	**$ 1,362**	**$ 1,127**
AISC per ounce sold	**$ 2,207**	**$ 1,289**	**$ 1,620**	**$ 1,626**	**$ 1,703**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 1,398**	**$ 1,289**	**$ 1,620**	**$ 1,626**	**$ 1,472**

GOLD SEGMENT — **Nine months ended September 30, 2021**

(In thousands of USD, except as noted)	Dolores	Shahuindo	La Arena	Timmins	Consolidated Gold Segment
Production Costs	$ 111,368	$ 80,775	$ 62,038	$ 130,304	$ 384,486
Purchase Price Allocation Inventory Fair Value Adjustment	—	(543)	(6)	—	(549)
NRV inventory adjustments	12,755	—	—	—	12,755
On-site direct operating costs	**124,123**	**80,232**	**62,033**	**130,304**	**396,692**
Royalties	9,468	—	—	5,080	14,547
Smelting, refining & direct selling costs	33	—	—	105	138
Cash Costs before by-product credits	**133,623**	**80,232**	**62,033**	**135,488**	**411,376**
Gold segment by-product credits	(47,153)	(4,367)	(737)	(317)	(52,574)
Cash Costs of Sales	**$ 86,470**	**$ 75,866**	**$ 61,296**	**$ 135,171**	**$ 358,802**
NRV inventory adjustments	(12,755)	—	—	—	(12,755)
Sustaining capital	28,469	19,700	35,484	27,479	111,132
Exploration and project development	189	—	—	2,566	2,756
Reclamation cost accretion	2,103	789	450	46	3,387
All-in sustaining costs	**$ 104,477**	**$ 96,354**	**$ 97,229**	**$ 165,262**	**$ 463,323**
Gold segment gold ounces sold	**123,729**	**99,926**	**82,565**	**102,000**	**408,220**
Cash cost per ounce sold	**$ 699**	**$ 759**	**$ 742**	**$ 1,325**	**$ 879**
AISC per ounce sold	**$ 844**	**$ 964**	**$ 1,178**	**$ 1,620**	**$ 1,135**
AISC per ounce sold (excluding NRV inventory adjustments)	**$ 947**	**$ 964**	**$ 1,178**	**$ 1,620**	**$ 1,166**

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. Certain items that become applicable in a period may be adjusted for, with the Company retroactively presenting comparable periods with an adjustment for such items and conversely, items no longer applicable may be removed from the calculation. 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 three and nine months ended September 30, 2022 and 2021, to the net earnings for each period.

	Three months ended September 30,		Nine months ended September 30,	
(In thousands of USD, except as noted)	**2022**	2021	**2022**	2021
Net (loss) earnings for the period	**$ (71,202)**	$ 20,219	**$ (168,003)**	$ 83,898
Adjust for:				
Impairment charges	**—**	—	**99,064**	—
Unrealized foreign exchange losses	**3,806**	1,285	**9,678**	5,060
Net realizable value heap inventory expense (recovery)	**30,578**	1,097	**108,230**	(8,590)
Derivative unrealized losses	**7,757**	3,524	**4,742**	3,102
Gains and income from associates	**—**	(540)	**(45,033)**	(4,058)
Severance provisions	**9,417**	—	**17,406**	—
Mineral property, plant and equipment losses (gains) on sale	**606**	(28,462)	**1,305**	(32,718)
Investment loss	**12,638**	25,250	**17,466**	53,639
Effect of taxes on adjusting items	**(5,559)**	7,114	**(19,729)**	10,730
Effect of foreign exchange on taxes	**9,204**	8,293	**(2,392)**	10,776
Total adjustments	**$ 68,447**	$ 17,561	**$ 190,737**	$ 37,941
Adjusted (loss) earnings for the period	**$ (2,755)**	$ 37,780	**$ 22,734**	$ 121,839
Weighted average shares for the period	**210,531**	210,299	**210,503**	210,282
Adjusted (loss) earnings per share for the period	**$ (0.01)**	$ 0.18	**$ 0.11**	$ 0.58

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 and Guatemala; environmental risks; risks related to its relations with employees and local communities where we operate, and risks relating to the spread of COVID-19, which has to date resulted in profound health and economic impacts globally and which presents future risks and uncertainties that are largely unknown at this time. Certain of these risks are described below, and are more fully described in Pan American's Annual Information Form (available on SEDAR at www.sedar.com) and Form 40-F filed with the SEC, and in the Financial Instruments and related risks section of the 2021 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 2021 Annual Financial Statements under Note 8 "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 three months ended September 30, 2022.

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

Price Risk

A decrease in the market price of commodities such as silver, gold and other metals and increase in the price of consumables could affect our profitability, along with the commercial viability of our mines and production from some of our mining properties. From time to time, Pan American mitigates the price risk associated with its base metal production by committing some of its future production under forward sales or option contracts. However, decisions relating to hedging may have material adverse effects on our financial performance, financial position, and results of operations. The Board of Directors continually assesses Pan American's strategy towards our base metal exposure.

As at September 30, 2022, the Company had outstanding collars made up of put and call contracts for its exposure to zinc (900 tonnes); as well as an outstanding forward contract for its exposure to zinc (900 tonnes) with settlement dates on those positions between October 2022 and December 2022. The outstanding collars have respective weighted average floor and cap prices per tonne of $3,150 and $4,000. The outstanding forward contract has a fixed price of $4,065.

During 2020, the Company entered into diesel swap contracts designed to fix or limit the Company's exposure to higher fuel prices. At September 30, 2022, the Company had outstanding positions on its diesel exposure with a notional amount of 0.9 million gallons, with a weighted average fixed price of $1.42 per gallon.

The Company recorded the following derivative gains and losses on commodities for the three and nine months ended September 30, 2022:

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Zinc (losses) gains	**(23)**	—	**1,760**	—
Copper gains (losses)	**—**	261	**—**	(896)
Diesel gains (losses)	**(624)**	1,149	**4,214**	9,126
Other	**$ (913)**	$ —	**$ (1,129)**	$ —
	$ (1,560)	$ 1,410	**$ 4,845**	$ 8,230

Trading Activities and Credit Risk

The zinc, lead, and copper 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 September 30, 2022, we had receivable balances associated with buyers of our concentrates of $26.5 million (December 31, 2021 - $40.0 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 seven separate refineries worldwide. We generally retain the risk and title to the precious metals throughout the process of refining and therefore are exposed to the risk that the refineries will not be able to perform in accordance with the refining contract and that we may not be able to fully recover our precious metals in such circumstances. As at September 30, 2022, we had approximately $11.6 million (December 31, 2021 - $52.3 million) contained in precious metal inventory at refineries. We maintain insurance coverage against the loss of precious metals at our mine sites and in-transit to refineries. Risk is transferred to the refineries upon delivery.

Refined silver and gold is 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.

We maintain trading facilities with several banks and bullion dealers for the purposes of transacting our trading activities. None of these facilities are subject to margin arrangements. Our trading activities can expose us to our counterparties' credit risk to the extent that our 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 September 30, 2022, we had made $16.3 million of supplier advances (December 31, 2021 - $11.2 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.

(tabular amounts are in thousands of U.S. dollars except number of shares, options, warrants, per share amounts, and per ounce amounts, unless otherwise noted)

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 $41.4 million in CAD, $0.7 million in MXN, $3.5 million in PEN, $4.3 million in ARS, $4.2 million in BOB, and $0.1 million in Guatemalan quetzales as at September 30, 2022.

At September 30, 2022, Pan American had outstanding positions on $27.0 million in foreign currency exposure of MXN purchases. The MXN positions had weighted average USD put and call exchange rates of $20.83 and $24.93, respectively, expiring between October 2022 and December 2023.

At September 30, 2022, Pan American had outstanding positions on $39.0 million in foreign currency exposure of PEN purchases. The PEN positions had a weighted average USD fixed exchange rate of $4.02, expiring between October 2022 and December 2023.

At September 30, 2022, Pan American had outstanding positions on $114.0 million in foreign currency exposure of CAD purchases. The CAD collar positions ($96.0 million of CAD purchases) had weighted average USD put and call exchange rates of $1.29 and 1.34, respectively, expiring between October 2022 and December 2023. The CAD forward contracts ($18.0 million of CAD purchases) had a weighted average USD fixed exchange rate of $1.30, expiring between October 2022 and December 2023.

The Company recorded the following derivative gains and losses on currencies for the three and nine months ended September 30, 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Mexican peso (losses) gains	**$ 394**	$ (517)	**$ 750**	$ (574)
Peruvian sol gains (losses)	**(743)**	(1,812)	**961**	(3,999)
Canadian dollar gains (losses)	**(4,628)**	(816)	**(5,038)**	98
	$ (4,977)	$ (3,145)	**$ (3,327)**	$ (4,475)

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, including matters relating to employees or former employees, commercial relationships, and claims by local communities, Indigenous stakeholders, and private land owners. Some of these claims or proceedings may seek sizeable monetary damages against us and/or the return of surface or mineral rights or revocation of permits and licenses that are valuable to us and which may impact our operations and profitability if lost. Further information on the nature, assessment and management of such claims are described in this section, the Risks and Uncertainties section of the 2021 Annual MD&A, and in Note 28 to the Company's 2021 Annual Financial Statements. There were no significant changes to those risks or to the Company's management of exposure to those risks during the three and nine months ended September 30, 2022.

In early May 2021, the Company’s subsidiary in Guatemala, Pan American Silver Guatemala S.A. (“PAS Guatemala”) and the Ministry of Energy and Mines of Guatemala ("MEM") 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 seeks injunctive relief to prevent future mining activities at Escobal. The Constitutional Court determined that the claim should be resolved by 2 different courts, one of them being the Guatemala Supreme Court regarding the action against MEM, and the other being the Guatemala Civil Court regarding the action against PAS Guatemala. Both actions were suspended on the grounds that the vibration allegations had already been argued on the ILO 169 consultation process amparo filed by a non-governmental organization, CALAS, so there was no reason to discuss them again. The complainants appealed both suspension resolutions to the Constitutional Court. The appeal of the complainants with respect to the MEM has been dismissed by the Constitutional Court. The appeal of the complainants with respect to PAS Guatemala has been argued but the decision of the Constitutional Court is still pending. While the Company believes the claims are procedurally and substantively flawed and without merit, the outcome of these proceedings cannot be determined at this time.

As reported in our Annual Information Form dated February 23, 2022, 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 have 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 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. Plata's appeal of the amparo resolution was recently dismissed in early September 2022. Plata will continue to oppose the SEDATU process and the claims in the Agrarian Court. The Agrarian Court and SEDATU processes are not related to our mineral concessions. During Q2 2022, we also learned that in 2017 a number of those same individuals had also made a petition to the Mexican Mines Bureau, a branch of the Secretaria de Economia, requesting the suspension of the exploration and exploitation work on our mining concessions at La Colorada. We are not aware of any legal basis for the petition or any response from the Secretaria de Economia. While we are confident that we hold proper title to the mining concessions and surface rights in question, if we are unable to maintain, or maintain access to, the concessions and surface rights, there could be material adverse impacts on the La Colorada mine's future mining operations.

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 center 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 lawsuit had been filed against Tahoe and its former chief executive officer in the Superior Court of Ontario. These lawsuits seek significant damages. We have disputed the allegations made in these suits, however the outcomes are not determinable at this time.

Legal proceedings are subject to various uncertainties and it is possible that some of the matters in which we are involved may be resolved unfavourably against us and may result in a material adverse effect on our financial position, cash flow and results of operations. 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.

COVID-19 and Other Pandemics

Since the outbreak of COVID-19 in late 2019, it has spread into areas where we have operations and where our offices are located. During 2020, Government efforts to curtail the spread of COVID-19 resulted in temporary suspensions of our operations in Mexico, Peru, Argentina and Bolivia, and we reduced throughput at our Timmins operation in Canada in order to enhance physical distancing and protect our personnel and the community. The spread of COVID-19 has impacted our employees and contractors, not only as it relates to potential health concerns, but also in terms of limitations on movement, availability of food and other goods, and personal well-being, among others. Our suppliers and service providers have also been impacted.

While COVID-19 has already had significant, direct impacts on our operations, our business, our workforce, and our production, the extent to which COVID-19 will continue to impact our operations will depend on future developments which are highly uncertain and cannot be predicted with confidence. These future developments include, but are not limited to, the duration of any outbreak, new information that may emerge concerning the severity of COVID-19 or its variants, and the actions taken to contain COVID-19 or treat it. The impact of governmental restrictions and health and safety protocols could improve or worsen relative to our assumptions, depending on how each jurisdiction manages potential outbreaks of COVID-19 and the efficacy of vaccines and other measures. We assume operations will continue to be impacted by comprehensive COVID-19 protocols in 2022, which would increase costs and restrict throughput levels, especially at our underground mines. Our ability to continue with our operations should the situation worsen, or to successfully maintain our operations on care and maintenance if so required, or to restart or ramp-up any such operations efficiently or economically, or at all, is unknown and the financial and operating impacts could be significant.

Moreover, the continued presence of, the spread, or increase in the severity of COVID-19 and its variants, and any future emergence and spread of similar pathogens, globally would likely have material adverse effect on both global and regional economies, including those in which we operate, as we have seen already. Such effects would not only affect our business and results of operations, but also the operations of our suppliers, contractors and service providers, including smelter and refining service providers, and the demand for our production. COVID-19 and the spread of similar pathogens could also negatively impact stock markets, including the trading price of our shares, adversely impact our ability to raise capital, cause continued interest rate volatility and movements that could make obtaining financing or refinancing our debt obligations more challenging or more expensive (if such financing is available at all), and result in any operations affected by coronavirus becoming subject to quarantine or shut down. Any of these developments, and others, could have a material adverse effect on our business 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 can impact 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, STANDARDS AND JUDGEMENTS

Changes in accounting policies

The accounting policies applied in the preparation of the unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's 2021 Annual Financial Statements.

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 judgments that are uncertain and any changes in these could materially impact the Company's financial statements. Management continuously reviews its estimates, judgments, and assumptions using the most current information available.

Readers should also refer to Note 3 of the 2021 Annual Financial Statements, for the Company's summary of significant accounting policies.

SUBSEQUENT EVENTS

The following significant events occurs subsequent to September 30, 2022:

Announced Arrangement Agreement with Yamana Gold Inc.

On November 4, 2022, the Company and Agnico Eagle Limited ("Agnico Eagle") announced that they had delivered a definitive binding offer (the "Offer") to the Board of Directors of Yamana Gold Inc. ("Yamana") pursuant to which Pan American would acquire all of the issued and outstanding common shares of Yamana and Yamana would sell certain subsidiaries and partnerships which hold Yamana's interests in its Canadian assets to Agnico Eagle, including the Canadian Malartic mine (the "Pan American – Agnico Proposed Transaction"). Following a determination that the Offer constituted a "Yamana Superior Proposal" as defined in the arrangement agreement dated May 31, 2022 (the "Gold Fields Agreement") between Yamana and Gold Fields Limited ("Gold Fields") in respect of the existing Gold Fields acquisition proposal to Yamana (the "Gold Fields Transaction"), and the subsequent waiver by Gold Fields of its right to match and response period, Yamana entered into an arrangement agreement with the Company and Agnico Eagle on November 8, 2022 (the "Pan American – Agnico Agreement"), in respect of the Pan American – Agnico Proposed Transaction. At the same time, the Board of Directors of Yamana changed its recommendation and recommended that Yamana shareholders vote against the Gold Fields Transaction. On November 8, 2022, Gold Fields terminated the Gold Fields Agreement. As a result of the termination, Yamana will be required to pay Gold Fields a $300 million termination fee (the "Termination Fee"). Under the terms of the Pan American - Agnico Agreement, the Company will provide Yamana with $150 million payable towards the Termination Fee. The Company has drawn down on its $500 million revolving sustainability-linked credit facility to fund its obligation towards the Termination Fee payment.

The Pan American – Agnico Proposed Transaction would be completed by way of plan of arrangement. The consideration for the Pan American – Agnico Proposed Transaction consists of:

a. Approximately 153.5 million common shares in the capital of Pan American Silver Corp.;
b. $1.0 billion in cash contributed by Agnico Eagle; and,
c. Approximately 36.1 million common shares in the capital of Agnico Eagle.

The Pan American - Agnico Proposed Transaction remains subject to simple majority approval (i.e. 50% +1) by the Company's shareholders, 66 2/3% approval of the Pan American - Agnico Proposed Transaction by Yamana's shareholders, certain regulatory approvals, and court-approval of the plan of arrangement, as well as satisfaction of customary closing conditions. The Pan American – Agnico Proposed Transaction is not subject to financing or due diligence conditions and would be expected to close in the first quarter of 2023.

The Pan American – Agnico Proposed Transaction would, if completed, contribute low-cost production growth and long-life mineral reserves, and result in the Company increasing its portfolio of assets to 12 operating mines. The Pan American – Agnico Proposed Transaction would be estimated to increase silver production by approximately 50% and gold production by approximately 100% and would be expected to enhance the Company's overall financial position and improve its ability to internally fund its growth projects.

Pan American would assume Yamana's obligations with respect to its August 2021 senior notes with an outstanding balance of $500 million and interest rate of 2.63% due in August 2031 and the December 2017 senior notes with an outstanding balance of $282.9 million and interest rate of 4.625% due in December 2027 (the "Notes"). The Notes contain certain change of control provisions, the triggering of which would result in a mandatory repurchase of the Notes in accordance with their terms. The Company does not currently expect that the change of control provisions would be triggered. However, to support the Company's potential financial requirements and provide financial flexibility and liquidity in connection with the Pan American – Agnico Proposed Transaction, the Company has, nonetheless, obtained a commitment from Bank of Montreal to provide, on a fully underwritten basis, an increase to the total committed credit facilities available to the Company from $500.0 million to $1,250.0 million.

There can be no assurance that the execution of the Pan American – Agnico Agreement will lead to the completion of the Pan American - Agnico Proposed Transaction.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Pan American's 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, 2021, 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")

Our CEO and CFO are responsible for establishing and maintaining adequate ICFR. Under the supervision and with the participation of our CEO and CFO, we evaluated the effectiveness of our ICFR as of December 31, 2021 based upon the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation, our CEO and CFO concluded that our ICFR was effective as of December 31, 2021. Management reviewed the results of management's evaluation with the Audit Committee of the Board.

The effectiveness of the Company's ICFR as of December 31, 2021 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm as stated in their report immediately preceding the Company's audited consolidated financial statements for the year ended December 31, 2021.

Changes in ICFR

There has been no change in the Company's ICFR during the three and nine months periods ended September 30, 2022 that has materially affected, or is 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 Business Development and Geology, each of whom are Qualified Persons, as the term is defined in NI 43-101.

For more detailed information regarding the Company's material mineral properties and technical information related thereto, including a complete list of current technical reports applicable to such properties, please refer to the Company's Annual Information Form dated February 23, 2022, filed at www.sedar.com or the Company's most recent Form 40-F filed with the SEC.

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”, “intents”, “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 2022, including our estimated production of silver, gold and other metals forecasted and anticipated timing for the same, including expectations with respect to production being weighted to the latter half of 2022 and the timing and amount of any future sales related to inventory build-ups; our estimated Cash Costs and AISC; our estimated capital, exploration, mine operation, general and administrative, and care and maintenance expenditures, as well as the timing and amount of cash flows and cash outflows; whether the Proposed Transaction and execution of an Arrangement Agreement by Yamana, Pan American and Agnico Eagle will result in a consummated transaction, and the impacts and effects of any such transaction on Pan American if so consummated; future anticipated prices for gold, silver and other metals and assumed foreign exchange rates; estimated recoverable amounts of cash generating units; expectations with respect to mineral grades and the impact of any variations relative to actual grades encountered; expectations with respect to the future anticipated impact of COVID-19 on our operations, the lessening or increase in pandemic-related restrictions and protocols, and the anticipated timing for the same; the ability of Pan American to continue with its operations, or to successfully maintain our operations on care and maintenance, should the situation related to COVID-19 not be as anticipated; the impacts of inflation, disruptions to supply chain, and regional and global economic conditions on Pan American and its operations; 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; the timing and outcome of legal proceedings, including the claims relating to La Cuchilla, the claims in respect of the La Colorada mine and the related processes with the SEDATU and the Mexican Mines Bureau, and the Tahoe-related class action lawsuits, and the impact that any such legal proceedings may have on Pan American; 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; certain legal proceedings that were originated in the Constitutional Court of Guatemala relating to the Escobal mine; the timing and success of site infrastructure upgrades at the La Colorada mine; our ability to meet our social, governance, and environmental and climate-related goals and the impacts that any inability to meet such goals might have on Pan American; the ability of and timing for Pan American to successfully complete any capital projects, including with respect to the La Colorada and the Timmins 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 skarn exploration program at La Colorada; and 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 chain; the world-wide economic and social impact of COVID-19 is managed and the duration and extent of the coronavirus pandemic is minimized or not long-term; the management of COVID-19 in each jurisdiction; the assumptions related to the global supply and availability of COVID-19 vaccines and the effectiveness and results of any vaccines; the presence and impact of COVID-19 on our workforce, suppliers and other essential resources and the effect those impacts have on our business; if necessary, continuation of operations following shutdowns or reductions in production, our ability to manage reduced operations efficiently and economically, including to maintain necessary staffing; our assumptions related to the determination of impairments and our conclusions in respect thereof; our ability to implement environmental, social and governance activities and achieve goals related thereto; tonnage of ore to be mined and processed; ore grades and recoveries; prices for silver, gold and base metals remaining as estimated; currency exchange rates remaining as estimated; 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; protection of our interests against claims and legal proceedings; all necessary permits, licenses and regulatory approvals for our operations are received in a timely manner and can be maintained; and our ability to comply with environmental, health and safety laws, particularly given the potential for modifications and expansion of such 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 MD&A and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: the duration and effects of inflationary factors on local, regional and global economies; the duration and effects of the coronavirus and COVID-19 variants, and any other epidemics or pandemics on our operations and workforce, and their effects on global economies and society; 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); 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, particularly in Argentina and Bolivia 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 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 conditions; the Company’s ability to complete and successfully integrate acquisitions and to mitigate other business combination risks; 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; and 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. 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 U.S. Investors Concerning Estimates of Mineral Reserves and Mineral Resources

This MD&A has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all references to mineral reserve and mineral resource estimates included in the MD&A have been disclosed in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy, and Petroleum Definition Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the 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.

PAN AMERICAN SILVER

Unaudited Condensed Interim Consolidated Financial Statements and Notes

FOR THE THREE AND NINE MONTHS ENDING SEPTEMBER 30, 2022

(unaudited, in thousands of U.S. dollars)

		September 30, 2022		December 31, 2021
Assets				
Current assets				
Cash and cash equivalents (Note 21)	**$**	**153,079**	$	283,550
Short-term investments (Note 5)		**34,091**		51,723
Trade and other receivables		**113,814**		128,150
Income tax receivables		**47,182**		20,282
Inventories (Note 6)		**438,207**		500,462
Derivative assets (Note 4a)		**3,819**		3,995
Prepaid expenses and other current assets		**7,802**		13,007
		797,994		1,001,169
Non-current assets				
Mineral properties, plant and equipment (Note 7)		**2,215,715**		2,344,551
Long-term inventories (Note 6)		**26,743**		25,644
Long-term tax receivables		**8,723**		8,711
Deferred tax assets		**57,409**		55,953
Long-term investment (Note 9)		**86,985**		77,410
Goodwill & other assets		**5,990**		5,146
Total assets	**$**	**3,199,559**	$	3,518,584
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 10)	**$**	**311,026**	$	306,087
Derivative liabilities (Note 4a)		**4,917**		351
Provisions (Note 11)		**12,211**		8,041
Lease obligations (Note 12)		**15,201**		10,663
Debt (Note 13)		**9,895**		3,400
Income tax payables		**22,647**		59,133
		375,897		387,675
Non-current liabilities				
Long-term provisions (Note 11)		**232,731**		240,111
Deferred tax liabilities		**144,123**		184,785
Long-term lease obligations (Note 12)		**21,700**		19,898
Long-term debt (Note 13)		**21,669**		11,900
Deferred revenue (Note 14)		**14,031**		12,516
Other long-term liabilities (Note 15)		**26,365**		25,691
Total liabilities		**836,516**		882,576
Equity (Note 16)				
Issued capital		**3,137,700**		3,136,214
Share option reserve		**93,227**		93,375
Investment revaluation reserve (Note 4c)		**(32,604)**		—
Deficit		**(840,723)**		(598,035)
Total equity attributable to Company shareholders		**2,357,600**		2,631,554
Non-controlling interests		**5,443**		4,454
Total equity		**2,363,043**		2,636,008
Total liabilities and equity	**$**	**3,199,559**	$	3,518,584

Contingencies (Note 24); subsequent events (Note 26)
See accompanying notes to the condensed interim consolidated financial statements
APPROVED BY THE BOARD ON NOVEMBER 9, 2022

"signed" Gillian Winckler, Director *"signed" Michael Steinmann, Director*

(unaudited, in thousands of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Revenue (Note 22)	**$ 338,889**	$ 460,349	**$ 1,119,246**	$ 1,210,580
Cost of sales (Note 22)				
Production costs (Note 17)	**(275,050)**	(269,428)	**(842,160)**	(662,037)
Depreciation and amortization	**(77,902)**	(83,184)	**(236,755)**	(226,817)
Royalties	**(7,725)**	(8,850)	**(27,016)**	(29,827)
	(360,677)	(361,462)	**(1,105,931)**	(918,681)
Mine operating (loss) earnings (Note 22)	**(21,788)**	98,887	**13,315**	291,899
General and administrative	**(6,765)**	(9,080)	**(25,973)**	(26,597)
Exploration and project development	**(2,801)**	(2,412)	**(9,775)**	(6,995)
Mine care and maintenance (Note 18)	**(12,686)**	(7,491)	**(34,645)**	(22,514)
Foreign exchange losses	**(2,213)**	(971)	**(10,402)**	(5,621)
Impairment charges (Note 8)	**—**	—	**(99,064)**	
Derivative (losses) gains (Note 4d)	**(6,537)**	(1,735)	**1,518**	3,755
Mineral properties, plant and equipment (losses) gains	**(606)**	28,462	**(1,305)**	32,718
Gains and income from associates (Note 9)	**—**	540	**45,033**	4,058
Other income (expense)	**2,321**	(5,052)	**7,052**	(2,494)
(Loss) earnings from operations	**(51,075)**	101,148	**(114,246)**	268,209
Investment loss (Note 4b)	**(12,640)**	(25,250)	**(17,468)**	(53,639)
Interest and finance expense (Note 19)	**(5,567)**	(5,294)	**(16,061)**	(12,714)
(Loss) earnings before income taxes	**(69,282)**	70,604	**(147,775)**	201,856
Income tax expense (Note 23)	**(1,920)**	(50,385)	**(20,228)**	(117,958)
Net (loss) earnings	**$ (71,202)**	$ 20,219	**$ (168,003)**	$ 83,898
Net (loss) earnings attributable to:				
Equity holders of the Company	**$ (71,527)**	$ 20,251	**$ (168,992)**	$ 83,392
Non-controlling interests	**325**	(32)	**989**	506
	$ (71,202)	$ 20,219	**$ (168,003)**	$ 83,898
Other comprehensive (loss) earnings, net of taxes				
Items that will not be reclassified to net earnings:				
Unrealized loss on long-term investment (Note 4c)	**$ (25,487)**	$ —	**$ (37,692)**	$ —
Income tax recovery related to long-term investments (Note 23)	**5,088**	—	**5,088**	—
Total other comprehensive loss	**$ (20,399)**	$ —	**$ (32,604)**	$ —
Total comprehensive (loss) earnings	**$ (91,601)**	$ 20,219	**$ (200,607)**	$ 83,898
Total comprehensive (loss) earnings attributable to:				
Equity holders of the Company	**$ (91,926)**	$ 20,251	**$ (201,596)**	$ 83,392
Non-controlling interests	**325**	(32)	**989**	506
	$ (91,601)	$ 20,219	**$ (200,607)**	$ 83,898
(Loss) earnings per share attributable to common shareholders (Note 20)				
Basic (loss) earnings per share	**$ (0.34)**	$ 0.10	**$ (0.80)**	$ 0.40
Diluted (loss) earnings per share	**$ (0.34)**	$ 0.10	**$ (0.80)**	$ 0.40
Weighted average shares outstanding (in 000's) Basic	**210,531**	210,299	**210,503**	210,282
Weighted average shares outstanding (in 000's) Diluted	**210,531**	210,419	**210,503**	210,431

See accompanying notes to the condensed interim consolidated financial statements.

(unaudited, in thousands of U.S. dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Operating activities				
Net (loss) earnings for the period	**$ (71,202)**	$ 20,219	**$ (168,003)**	$ 83,898
Income tax expense (Note 23)	**1,920**	50,385	**20,228**	117,958
Depreciation and amortization	**77,902**	83,184	**236,755**	226,817
Gains and income from associates (Note 9)	**—**	(540)	**(45,033)**	(4,058)
Impairment charges (Note 8)	**—**	—	**99,064**	—
Net realizable value inventory expense (recovery)	**15,096**	2,456	**92,309**	(12,933)
Accretion on closure and decommissioning provision (Notes 11,19)	**3,711**	1,868	**11,131**	5,606
Investment loss (Note 4b)	**12,640**	25,250	**17,468**	53,639
Interest paid	**(1,612)**	(1,251)	**(4,371)**	(3,711)
Interest received	**1,279**	16	**2,019**	145
Income taxes paid	**(20,365)**	(24,043)	**(121,084)**	(106,395)
Other operating activities (Note 21)	**13,445**	(23,534)	**16,493**	(25,550)
Net change in non-cash working capital items (Note 21)	**21,604**	23,007	**(12,965)**	(61,406)
	$ 54,418	$ 157,017	**$ 144,011**	$ 274,010
Investing activities				
Payments for mineral properties, plant and equipment	**$ (69,073)**	$ (62,190)	**$ (202,326)**	$ (173,331)
Proceeds from disposition of mineral properties, plant and equipment	**445**	29,935	**8,209**	44,731
(Purchase of) proceeds from short-term investments	**(325)**	518	**694**	1,406
Net proceeds from derivatives	**1,220**	1,789	**6,260**	6,857
	$ (67,733)	$ (29,948)	**$ (187,163)**	$ (120,337)
Financing activities				
Proceeds from common shares issued	**$ 159**	$ —	**$ 843**	$ 335
Distributions to non-controlling interests	**—**	(255)	**—**	(890)
Dividends paid	**(23,180)**	(21,030)	**(73,696)**	(50,468)
Proceeds from debt (Note 13)	**2,500**	—	**3,300**	—
Repayment of debt (Note 13)	**(1,635)**	(850)	**(3,596)**	(850)
Payment of equipment leases	**(4,240)**	(3,145)	**(11,130)**	(8,980)
	$ (26,396)	$ (25,280)	**$ (84,279)**	$ (60,853)
Effects of exchange rate changes on cash and cash equivalents	**(2,039)**	(1,405)	**(3,040)**	(2,424)
(Decrease) increase in cash and cash equivalents	**(41,750)**	100,384	**(130,471)**	90,396
Cash and cash equivalents at the beginning of the period	**194,829**	157,125	**283,550**	167,113
Cash and cash equivalents at the end of the period	**$ 153,079**	$ 257,509	**$ 153,079**	$ 257,509

Supplemental cash flow information (Note 21).
See accompanying notes to the condensed interim consolidated financial statements.

(unaudited, in thousands of U.S. dollars, except for number of shares)

	Attributable to equity holders of the Company							
	Issued shares	**Issued capital**	**Share option reserve**	**Investment revaluation reserve**	**Deficit**	**Total**	**Non-controlling interests**	**Total equity**
Balance, December 31, 2020	**210,258,667**	**$3,132,140**	**$ 93,409**	**$ —**	**$(623,030)**	**$2,602,519**	**$ 3,320**	**$2,605,839**
Total comprehensive earnings								
Net earnings for the year	—	—	—	—	97,428	97,428	1,134	98,562
Shares issued on the exercise of stock options	65,780	762	(143)	—	—	619	—	619
Shares issued as compensation	133,077	3,312	—	—	—	3,312	—	3,312
Share-based compensation on option grants	—	—	109	—	—	109	—	109
Distributions by subsidiaries to non-controlling interests	—	—	—	—	(933)	(933)	—	(933)
Dividends paid	—	—	—	—	(71,500)	(71,500)	—	(71,500)
Balance, December 31, 2021	**210,457,524**	**$3,136,214**	**$ 93,375**	**$ —**	**$(598,035)**	**$2,631,554**	**$ 4,454**	**$2,636,008**
Total comprehensive loss								
Net loss for the period	—	—	—	—	(168,992)	(168,992)	989	(168,003)
Other comprehensive loss	—	—	—	(32,604)	—	(32,604)	—	(32,604)
	—	—	—	(32,604)	(168,992)	(201,596)	989	(200,607)
Shares issued on the exercise of stock options	65,940	1,158	(315)	—	—	843	—	843
Shares issued as compensation	14,745	328	—	—	—	328	—	328
Share-based compensation on option grants	—	—	167	—	—	167	—	167
Dividends paid	—	—	—	—	(73,696)	(73,696)	—	(73,696)
Balance, September 30, 2022	**210,538,209**	**$3,137,700**	**$ 93,227**	**$ (32,604)**	**$(840,723)**	**$2,357,600**	**$ 5,443**	**$2,363,043**

	Attributable to equity holders of the Company							
	Issued shares	**Issued capital**	**Share option reserve**	**Investment revaluation reserve**	**Deficit**	**Total**	**Non-controlling interests**	**Total equity**
Balance, December 31, 2020	**210,258,667**	**$3,132,140**	**$ 93,409**	**$ —**	**$(623,030)**	**$2,602,519**	**$ 3,320**	**$2,605,839**
Total comprehensive earnings								
Net earnings for the period	—	—	—	—	83,392	83,392	506	83,898
Shares issued on the exercise of stock options	31,072	405	(70)	—	—	335	—	335
Shares issued as compensation	9,646	325	—	—	—	325	—	325
Share-based compensation on option grants	—	—	75	—	—	75	—	75
Distributions by subsidiaries to non-controlling interests	—	—	—	—	(890)	(890)	—	(890)
Dividends paid	—	—	—	—	(50,468)	(50,468)	—	(50,468)
Balance, September 30 2021	**210,299,385**	**$3,132,870**	**$ 93,414**	**$ —**	**$(590,996)**	**$2,635,288**	**$ 3,826**	**$2,639,114**

See accompanying notes to the condensed interim consolidated financial statements.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

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 is at Suite 1440 – 625 Howe Street, Vancouver, British Columbia, V6C 2T6.

The Company is engaged in the production and sale of silver, gold, zinc, lead and copper as well as other related activities, including exploration, extraction, processing, refining and reclamation. The Company's major products are produced from mines in Canada, Peru, Mexico, Argentina and Bolivia. Additionally, the Company has project development activities in Canada, Peru, Mexico and Argentina, and exploration activities throughout South America, Canada and Mexico. As at September 30, 2022, the Company's Escobal mine in Guatemala 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 late February 2022, the Company's Morococha mine in Peru was placed on care and maintenance due to a requirement to move the processing facilities to allow for the expansion of a neighboring mine.

Principal subsidiaries:

The principal subsidiaries of the Company and their geographic locations at September 30, 2022 were as follows:

Location	Subsidiary	Ownership Interest	Accounting	Operations and Development Projects Owned
Canada	Lake Shore Gold Corp.	100%	Consolidated	Bell Creek and Timmins West mines (together "Timmins mine"
Mexico	Plata Panamericana S.A. de C.V.	100%	Consolidated	La Colorada mine
	Compañía Minera Dolores S.A. de C.V.	100%	Consolidated	Dolores mine
Peru	Pan American Silver Huaron S.A.	100%	Consolidated	Huaron mine
	Compañía Minera Argentum S.A.	92%	Consolidated	Morococha mine
	Shahuindo S.A.C.	100%	Consolidated	Shahuindo mine
	La Arena S.A.	100%	Consolidated	La Arena mine
Bolivia	Pan American Silver (Bolivia) S.A.	95%	Consolidated	San Vicente mine
Guatemala	Pan American Silver Guatemala S.A.	100%	Consolidated	Escobal mine
Argentina	Minera Tritón Argentina S.A.	100%	Consolidated	Manantial Espejo & Cap-Oeste Sur Este mines
	Minera Joaquin S.R.L.	100%	Consolidated	Joaquin mine
	Minera Argenta S.A.	100%	Consolidated	Navidad project

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 - *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB") and have been condensed with certain disclosures from the Company's audited consolidated financial statements for the year ended December 31, 2021 (the "2021 Annual Financial Statements") omitted. Accordingly, these unaudited condensed interim consolidated financial statements should be read in conjunction with the 2021 Annual Financial Statements.

As at September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 2022 and 2021 (unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, STANDARDS, AND JUDGEMENTS

a) Changes in accounting policies

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the 2021 Annual Financial Statements.

b) 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.

c) Significant judgements

In preparing the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2022, the Company applied the critical judgements and estimates disclosed in Note 5 of its 2021 Annual Financial Statements.

4. FINANCIAL INSTRUMENTS

a) Financial assets and liabilities by categories

September 30, 2022	Amortized cost	FVTPL	FVTOCI	Total
Financial Assets:				
Cash and cash equivalents	**$ 153,079**	**$ —**	**$ —**	**$ 153,079**
Trade receivables from provisional concentrates sales(1)	**—**	**26,539**	**—**	**26,539**
Receivables not arising from sale of metal concentrates(1)	**70,953**	**—**	**—**	**70,953**
Short-term investments	**—**	**34,091**	**—**	**34,091**
Long-term investment(2)	**—**	**—**	**86,985**	**86,985**
Derivative assets	**—**	**3,819**	**—**	**3,819**
	$ 224,032	**$ 64,449**	**$ 86,985**	**$ 375,466**
Financial Liabilities:				
Derivative liabilities	**$ —**	**$ 4,917**	**$ —**	**$ 4,917**
Debt	**$ 31,564**	**$ —**	**$ —**	**$ 31,564**

(1) Included in Trade and other receivables.
(2) Comprised of the Company's investment in Maverix Metals Inc. ("Maverix") (Note 9).

December 31, 2021	Amortized cost	FVTPL	FVTOCI	Total
Financial Assets:				
Cash and cash equivalents	$ 283,550	$ —	$ —	$ 283,550
Trade receivables from provisional concentrates sales(1)	—	40,020	—	40,020
Receivables not arising from sale of metal concentrates(1)	76,902	—	—	76,902
Short-term investments	—	51,723	—	51,723
Derivative assets	—	3,995	—	3,995
	$ 360,452	$ 95,738	$ —	$ 456,190
Financial Liabilities:				
Derivative liabilities	$ —	$ 351	$ —	$ 351
Debt	$ 15,300	$ —	$ —	$ 15,300

(1) Included in Trade and other receivables.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

b) Short-term investments recorded at fair value through profit or loss ("FVTPL")

The Company's short-term investments are recorded at FVTPL. The losses from short-term investments for the three and nine months ended September 30, 2022 and 2021 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Unrealized losses on short-term investments	**$ (12,339)**	$ (25,443)	**$ (17,862)**	$ (54,147)
Realized (losses) gains on short-term investments	**(301)**	193	**394**	508
	$ (12,640)	$ (25,250)	**$ (17,468)**	$ (53,639)

c) Financial assets recorded at fair value through other comprehensive income ("FVTOCI")

The Company's long-term investments are recorded at fair value through other comprehensive income ("OCI"). The losses from long-term investments for the three and nine months ended September 30, 2022 and 2021 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Unrealized loss on long-term investment(1)	**$ (25,487)**	$ —	**$ (37,692)**	$ —

(1) Excludes income tax recovery, recorded through OCI, related to long-term investments of $5.1 million and $5.1 million for the three and nine months ended September 30, 2022, respectively. There were no amounts recorded in the comparative periods.

d) Derivative instruments

The Company's derivatives are comprised of foreign currency and commodity contracts. The (losses) gains on derivatives for the three and nine months ended September 30, 2022 and 2021 were comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Realized gains on derivatives	**$ 1,220**	$ 1,789	**$ 6,260**	$ 6,857
Unrealized losses on derivatives	**(7,757)**	(3,524)	**(4,742)**	(3,102)
	$ (6,537)	$ (1,735)	**$ 1,518**	$ 3,755

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.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

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 September 30, 2022		At December 31, 2021	
	Level 1	Level 2	Level 1	Level 2
Assets and Liabilities:				
Short-term investments	$ 34,091	$ —	$ 51,723	$ —
Long-term investment[1]	86,985	—	—	—
Trade receivables from provisional concentrate sales	—	26,539	—	40,020
Derivative assets	—	3,819	—	3,995
Derivative liabilities	—	(4,917)	—	(351)
	$ 121,076	$ 25,441	$ 51,723	$ 43,664

(1) Comprised of the Company's investment in Maverix Metals Inc. ("Maverix") (Note 9).

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, 2021.

ii) Valuation Techniques

Short-term and long-term investments

The Company's short-term 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 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 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 principal 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 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 September 30, 2022, the Company had receivable balances associated with buyers of its concentrates of $26.5 million (December 31, 2021 - $40.0 million). The vast majority of the Company's concentrate is sold to a limited number of concentrate buyers.

Doré production from La Colorada, Dolores, Manantial Espejo, Shahuindo, La Arena, and Timmins is refined under long-term agreements with fixed refining terms at seven 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 September 30, 2022, the Company had approximately $11.6 million (December 31, 2021 - $52.3 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 upon delivery.

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. However, the Company maintains an active credit management and monitoring program to minimize the risk of excessive credit risk concentration with any single counterparty.

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.

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 September 30, 2022, we had made $16.3 million of supplier advances (December 31, 2021 - $11.2 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.

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 the Company will not be able to meet its financial obligations as they come due. The Company manages its liquidity risk by continuously monitoring forecasted and actual cash flows. The Company has in place a rigorous planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansion plans. The Company strives to maintain sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and short-term investments, and its committed loan facilities.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

There was no significant change to the Company's exposure to liquidity risk during the three and nine months ended September 30, 2022.

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.

At September 30, 2022, the Company had outstanding positions on its foreign currency exposure of Mexican peso ("MXN"), Peruvian sol ("PEN") and Canadian dollar ("CAD") purchases. The Company recorded the following derivative gains and losses on currencies for the three and nine months ended September 30, 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Mexican peso gains (losses)	**$ 394**	$ (517)	**$ 750**	$ (574)
Peruvian sol (losses) gains	**(743)**	(1,812)	**961**	(3,999)
Canadian dollar (losses) gains	**(4,628)**	(816)	**(5,038)**	98
	$ (4,977)	$ (3,145)	**$ (3,327)**	$ (4,475)

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 three and nine months ended September 30, 2022 on its cash and short-term investments was 3.92% and 3.85% (2021 - 1.37% and 0.69%, respectively).

On August 10, 2021 the Company entered into a Sustainability-Linked Credit Facility ("SL-Credit Facility") (Note 13). There were no amounts drawn during the three and nine months ended September 30, 2022 and 2021 on the SL-Credit Facility.

From May 2022 to September 2022, the Company entered into USD denominated promissory notes which incurred an average interest rate of 5.6% during the three and nine months ended September 30, 2022. In June 2021 and May 2022, the Company entered into term loans (the "Loans") for the purpose of certain construction financing (Note 13). The Loans incurred an average interest rate of 2.8% during the three and nine months ended September 30, 2022 (2021 - 3.6%).

At September 30, 2022, the Company had $36.9 million in lease obligations (December 31, 2021 - $30.6 million) that are subject to an annualized interest rate of 9.7% (2021 - 10.6%).

3. Price Risk

Metal price risk is the risk that changes in metal prices will affect the Company's income 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 current policy is to not hedge the price of precious metals.

As at September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 2022 and 2021 (unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

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 September 30, 2022, 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 three and nine months ended September 30, 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Zinc (losses) gains	**(23)**	—	**1,760**	—
Copper gains (losses)	**—**	261	**—**	(896)
Diesel gains (losses)	**(624)**	1,149	**4,214**	9,126
Other	**$ (913)**	$ —	**$ (1,129)**	$ —
	$ (1,560)	$ 1,410	**$ 4,845**	$ 8,230

5. SHORT-TERM INVESTMENTS

	September 30, 2022			December 31, 2021		
	Fair Value	**Cost**	**Accumulated unrealized holding gains**	Fair Value	Cost	Accumulated unrealized holding gains
Short-term investments	**$ 34,091**	**$ 20,781**	**$ 13,310**	$ 51,723	$ 20,419	$ 31,304

6. INVENTORIES

Inventories consist of:

	September 30, 2022	December 31, 2021
Concentrate inventory	**$ 27,052**	$ 30,647
Stockpile ore	**28,055**	43,216
Heap leach inventory and in process	**257,977**	286,266
Doré and finished inventory	**57,588**	81,448
Materials and supplies	**94,278**	84,529
Total inventories	**$ 464,950**	$ 526,106
Less: current portion of inventories	**$ (438,207)**	$ (500,462)
Non-current portion of inventories(1)	**$ 26,743**	$ 25,644

(1) Inventories at Escobal mine, which include $19.4 million (December 31, 2021 - $18.3 million) in supplies with the remainder attributable to metals, have been classified as non-current pending the restart of operations.

Total inventories held at net realizable value amounted to $142.9 million at September 30, 2022 (December 31, 2021 – $203.7 million).

As at September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 2022 and 2021 (unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

7. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Mineral properties, plant and equipment consist of:

	September 30, 2022			December 31, 2021		
	Cost	**Accumulated Depreciation and Impairment**	**Carrying Value**	Cost	Accumulated Depreciation and Impairment	Carrying Value
Producing properties:						
Huaron, Peru	**$ 228,759**	**$ (145,963)**	**$ 82,796**	$ 224,700	$ (141,902)	$ 82,798
Morococha, Peru [5]	**254,576**	**(174,758)**	**79,818**	277,105	(188,821)	88,284
Shahuindo, Peru	**622,161**	**(164,487)**	**457,674**	590,096	(132,727)	457,369
La Arena, Peru	**247,739**	**(132,429)**	**115,310**	208,306	(105,006)	103,300
La Colorada, Mexico	**395,625**	**(200,885)**	**194,740**	355,471	(185,684)	169,787
Dolores, Mexico [1]	**1,761,821**	**(1,545,344)**	**216,477**	1,738,040	(1,350,908)	387,132
Manantial Espejo, Argentina [2]	**521,812**	**(516,619)**	**5,193**	518,931	(500,244)	18,687
San Vicente, Bolivia	**155,286**	**(117,181)**	**38,105**	151,045	(110,829)	40,216
Timmins, Canada	**355,630**	**(126,874)**	**228,756**	335,488	(103,903)	231,585
Other	**29,542**	**(20,981)**	**8,561**	29,804	(19,664)	10,140
	$ 4,572,951	**$ (3,145,521)**	**$ 1,427,430**	$ 4,428,986	$ (2,839,688)	$ 1,589,298
Non-Producing Properties:						
Land	**$ 6,373**	**$ (871)**	**$ 5,502**	$ 6,373	$ (871)	$ 5,502
Navidad, Argentina [3]	**566,577**	**(376,101)**	**190,476**	566,577	(376,101)	190,476
Escobal, Guatemala	**259,849**	**(2,800)**	**257,049**	257,390	(1,842)	255,548
Timmins, Canada	**63,019**	**—**	**63,019**	63,018	—	63,018
Shahuindo, Peru	**1,376**	**—**	**1,376**	3,549	—	3,549
La Arena, Peru	**117,000**	**—**	**117,000**	117,005	—	117,005
Minefinders, Mexico [4]	**77,210**	**(37,453)**	**39,757**	78,443	(36,975)	41,468
La Colorada, Mexico	**91,414**	**—**	**91,414**	55,370	—	55,370
Morococha, Peru [5]	**1,724**	**—**	**1,724**	2,981	—	2,981
Other	**33,295**	**(12,327)**	**20,968**	32,426	(12,090)	20,336
	$ 1,217,837	**$ (429,552)**	**$ 788,285**	$ 1,183,132	$ (427,879)	$ 755,253
Total	**$ 5,790,788**	**$ (3,575,073)**	**$ 2,215,715**	$ 5,612,118	$ (3,267,567)	$ 2,344,551

(1) Includes previously recorded impairment charges of $635.5 million at September 30, 2022 (December 31, 2021 - $536.4 million).
(2) Includes previously recorded impairment charges of $173.4 million at September 30, 2022 (December 31, 2021 - $173.4 million).
(3) Includes previously recorded impairment charges of $386.1 million at September 30, 2022 (December 31, 2021 - $386.1 million).
(4) Includes previously recorded impairment charges of $37.0 million at September 30, 2022 (December 31, 2021 - $37.0 million).
(5) Morococha was placed on care and maintenance in February 2022.

Dispositions

On March 29, 2022, the Company received a $7.0 million payment from an arm's length party to be applied to certain costs associated with the closure and reclamation of the Morococha mine processing facility. This payment was included in proceeds from disposition of mineral properties, plant and equipment.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

8. IMPAIRMENT

The Company's impairment expense in respect of the following CGUs for the three and nine months ended September 30, 2022 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Dolores impairment expense	**$ —**	$ —	**$ 99,064**	$ —

Impairment testing

The Company reviews each of its cash generating units ("CGU"), represented by its principal producing mining properties and significant development projects, for indicators of impairment 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.

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, which is expected to affect production for the remainder of the year combined with inflationary pressures that have particularly affected this short-life asset. Accordingly, management completed a recoverable value assessment of the Dolores Mine CGU. As a result, the Company recognized an impairment expense of $99.1 million, against the carrying value of the CGU at June 30, 2022, and recorded an NRV adjustment of $55.4 million (Note 6) (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 three and nine months ended September 30, 2022, the Company's impairment testing incorporated the following key assumptions:

a) 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

b) 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:

i) the updated mineral resource and remaining life of mine plan has a reduction in the assumed grades for a certain phase to be mined in 2022, this was informed by 2022 year-to-date silver and gold production being less than expected due to lower than expected grades encountered in this certain section of the open pit;

ii) inflationary pressures, which have particularly affected this shorter-life asset where most of the mining will be completed in the next two years;

iii) the suspension of underground mining operations in Q2 2022 due to inflationary cost pressures, and the subsequent reclassification of underground mineral reserves to mineral resources; and,

iv) a reduction in the expected duration of economic leaching to the year 2030.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

9. 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:

	FVTOCI	Investment in Associate	
	Maverix	Maverix	Total
At December 31, 2020	**$ —**	**$ 71,560**	**$ 71,560**
Acquisition of shares in associate	—	2,616	2,616
Equity pick-up from equity investees	—	4,510	4,510
Dilution losses	—	(34)	(34)
Adjustment for change in ownership interest	—	(22)	(22)
Dividends received	—	(1,220)	(1,220)
At December 31, 2021	**$ —**	**$ 77,410**	**$ 77,410**
Equity pick-up from equity investees	—	413	413
Dividends received	—	(325)	(325)
Loss of significant influence	124,677	(77,498)	47,179
Investment revaluation reserve fair value adjustment	(37,692)	—	(37,692)
At September 30, 2022	**$ 86,985**	**$ —**	**$ 86,985**

Investment in Maverix:

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 has 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.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	September 30, 2022	December 31, 2021
Trade account payables(1)	**$ 75,282**	$ 77,461
Royalty payables	**25,369**	24,113
Other accounts payable and accrued liabilities	**122,731**	107,207
Payroll and severance liabilities	**66,898**	64,968
Value added tax liabilities	**9,319**	12,006
Other tax payables	**11,427**	20,332
	$ 311,026	$ 306,087

(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.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

11. PROVISIONS

		2022
Closure and decommissioning, December 31, 2021	$	242,861
Revisions in estimates and obligations incurred		(13,433)
Reclamation expenditures		(2,570)
Accretion expense (Note 19)		11,131
Closure and decommissioning, September 30, 2022	$	237,989
Litigation		6,953
Total provisions, September 30, 2022	**$**	**244,942**

Provision classification:		September 30, 2022		December 31, 2021
Current	$	12,211	$	8,041
Non-Current		232,731		240,111
	$	244,942	$	248,152

12. LEASES

Right-of-use Assets ("ROU")

The following table summarizes changes in ROU Assets for the nine months ended September 30, 2022, which have been recorded in mineral properties, plant and equipment on the condensed interim consolidated statements of financial position:

		Nine months ended September 30, 2022
Opening net book value	$	29,496
Additions		18,894
Depreciation		(11,166)
Other		(2,913)
Closing net book value	$	34,311

Lease obligations

The following table presents a reconciliation of the Company's undiscounted cash flows at September 30, 2022 and December 31, 2021 to their present value for the Company's lease obligations:

		September 30, 2022		December 31, 2021
Within one year	$	15,846	$	11,690
Between one and five years		19,861		16,676
Beyond five years		15,017		16,934
Total undiscounted lease obligations		50,724		45,300
Less future interest charges		(13,823)		(14,739)
Total discounted lease obligations		36,901		30,561
Less current portion of lease obligations		(15,201)		(10,663)
Non-current portion of lease obligations	$	21,700	$	19,898

As at September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 2022 and 2021 (unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

13. DEBT

Debt consists of:

	September 30, 2022	December 31, 2021
Loans	$ 28,264	$ 15,300
Promissory notes	3,300	—
Total debt	31,564	15,300
Less: current portion of debt	(9,895)	(3,400)
Non-current portion of debt	$ 21,669	$ 11,900

From May 2022 to September 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.

On August 10, 2021, Pan American entered into an amendment agreement to amend and extend its $500 million Credit Facility, with a maturity date of February 1, 2023, into a $500 million SL-Credit Facility. The SL-Credit Facility features a mechanism that allows for pricing adjustments on drawn and undrawn balances based on the Company's sustainability performance ratings and scores published by MSCI and S&P Global, leaders in ESG and Corporate Governance research and ratings. The SL-Credit Facility matures on August 8, 2025. In addition, the financial covenants include the requirement for the Company to maintain: (i) a leverage ratio less than or equal to 3.5:1; and (ii) an interest coverage ratio more than or equal to 3.0:1. The SL-Credit Facility were undrawn at September 30, 2022 and December 31, 2021. As of September 30, 2022, the Company was in compliance with all covenants required by the SL-Credit Facility.

The SL-Credit Facility can be drawn down at any time to finance the Company’s working capital requirements, acquisitions, investments and for general corporate purposes. The borrowing costs under the Company's SL-Credit Facility are based on the Company's leverage ratio subject to pricing adjustments based on the Company's sustainability performance ratings and scores at either (i) LIBOR plus 1.825% to 2.80% or; (ii) The Bank of Nova Scotia's Base Rate on U.S. dollar denominated commercial loans plus 0.825% to 1.80%. Undrawn amounts under the SL-Credit Facility are subject to a stand-by fee of 0.41% to 0.63% per annum, dependent on the Company's leverage ratio and subject to pricing adjustments based on sustainability performance ratings and scores.

The Company did not draw from the SL-Credit Facility during the three and nine months ended September 30, 2022 and 2021 and incurred $0.5 million and $1.6 million for the three and nine months ended September 30, 2022 (2021 - $0.5 million and $1.6 million, respectively) in standby charges on undrawn amounts included in interest and finance expense.

14. DEFERRED REVENUE

On July 11, 2016 the Company recognized a deferred revenue liability from its sale of precious metal streams to Maverix whereby the Company will sell 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, respectively (the "Streams").

The deferred revenue related to the Streams will be recognized as revenue by Pan American as the gold ounces are delivered to Maverix and increased by $2.5 million during the three months ended March 31, 2022 to record the deferred revenue previously not recognized while using the equity method of accounting after concluding that it no longer held significant influence of Maverix. The deferred revenue liability was $14.0 million at September 30, 2022 (December 31, 2021 - $12.5 million).

As at September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 2022 and 2021 (unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

15. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consist of:

	September 30, 2022	December 31, 2021
Deferred credit[1]	$ 20,788	$ 20,788
Other tax payables	10	16
Severance liabilities	5,567	4,887
	$ 26,365	$ 25,691

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

16. SHARE CAPITAL AND EMPLOYEE COMPENSATION PLANS

a. Stock options and common shares issued as compensation ("Compensation Shares")

For the three and nine months ended September 30, 2022, the total share-based compensation expense relating to stock options and compensation shares was $1.3 million and $3.9 million (2021 - $0.9 million and $3.0 million, respectively) and is presented as a component of general and administrative expense.

- *Stock options*

  The Company did not grant any stock options during the three and nine months ended September 30, 2022 or the comparative periods in 2021.

  During the three and nine months ended September 30, 2022, the Company issued 12,245 and 65,940 common shares in connection with the exercise of options (2021 – nil and 31,072 common shares, respectively).

- *Compensation Shares*

  During the three and nine months ended September 30, 2022, the Company issued nil and 14,745 common shares, respectively, to Directors in lieu of Directors' fees of $nil and $0.3 million (2021 – nil and 9,646 common shares in lieu of fees of $nil and $0.3 million, respectively).

The following table summarizes changes in stock options for the nine months ended September 30, 2022 and year ended December 31, 2021:

	Stock Options	
	Options	Weighted Average Exercise Price CAD$
As at December 31, 2020	317,417	$ 18.78
Granted	53,115	30.70
Exercised	(65,780)	11.77
Expired	(2,162)	41.62
Forfeited	(23,587)	32.27
As at December 31, 2021	279,003	$ 21.38
Exercised	**(65,940)**	**16.23**
Expired	**(4,324)**	**41.62**
Forfeited	**(6,073)**	**31.71**
As at September 30, 2022	**202,666**	**$ 22.32**

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

The following table summarizes information about the Company's stock options outstanding at September 30, 2022:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices CAD$	Number Outstanding as at September 30, 2022	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price CAD$	Number Outstanding as at September 30, 2022	Weighted Average Exercise Price CAD$
$9.76 - $17.11	13,602	0.2	$ 9.76	13,602	$ 9.76
$17.12 - $24.46	113,367	2.8	$ 18.47	113,367	$ 18.47
$24.47 - $31.81	68,789	5.6	$ 29.43	21,050	$ 26.54
$31.82 - $39.48	6,908	5.2	$ 39.48	3,455	$ 39.48
	202,666	3.6	$ 22.32	151,474	$ 19.29

b. PSUs

The Company recorded a $0.1 million recovery and a $0.4 million expense for PSUs for the three and nine months ended September 30, 2022 (2021 - a $0.3 million recovery and $0.3 million expense, respectively) and is presented as a component of general and administrative expense.

At September 30, 2022, the following PSUs were outstanding:

PSU	Number Outstanding	Fair Value
As at December 31, 2020	255,559	$ 8,870
Granted	79,417	2,049
Paid out	(117,328)	(4,539)
Change in value	—	(901)
As at December 31, 2021	**217,648**	**$ 5,479**
Granted	**11,614**	**186**
Change in value	**—**	**(1,844)**
As at September 30, 2022	**229,262**	**$ 3,821**

c. RSUs

The Company recorded a $0.1 million and $1.2 million expense for RSUs for the three and nine months ended September 30, 2022 (2021 - nil and $1.4 million, respectively) and is presented as a component of general and administrative expense.

At September 30, 2022, the following RSUs were outstanding:

RSU	Number Outstanding	Fair Value
As at December 31, 2020	396,572	$ 13,730
Granted	240,366	5,818
Paid out	(197,320)	(4,829)
Forfeited	(13,218)	(329)
Change in value	—	(3,699)
As at December 31, 2021	**426,400**	**$ 10,691**
Forfeited	**(9,574)**	**(154)**
Change in value	**—**	**(3,638)**
As at September 30, 2022	**416,826**	**$ 6,899**

d. Issued share capital

The Company is authorized to issue 400,000,000 common shares without par value.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

e. Dividends

The Company declared the following dividends for November 9, 2022 and the nine months ended September 30, 2022 and 2021:

Declaration Date	Record Date	Dividend per common share
November 9, 2022[(1)]	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
November 9, 2021	November 22, 2021	$ 0.10
August 10, 2021	August 23, 2021	$ 0.10
May 12, 2021	May 25, 2021	$ 0.07
February 17, 2021	March 1, 2021	$ 0.07

(1) These dividends were declared subsequent to the quarter ended September 30, 2022 and have not been recognized as distributions to owners during the period presented.

f. CVRs

As part of the acquisition of Tahoe Resources Inc. on February 22, 2019, the Company issued 313,887,490 Contingent Value Rights ("CVRs"), with a term of 10 years, which are convertible into 15,600,208 common shares upon the first commercial shipment of concentrate following the restart of operations at the Escobal mine. As of September 30, 2022, there were 313,883,990 CVRs outstanding which were convertible into 15,600,034 common shares (December 31, 2021 - 313,883,990 CVRs convertible into 15,600,034 common shares).

17. PRODUCTION COSTS

Production costs are comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Materials and consumables	**$ 108,939**	$ 106,428	**$ 308,806**	$ 289,868
Salaries and employee benefits[(2)]	**77,552**	77,427	**230,015**	242,869
Contractors	**68,082**	59,905	**175,623**	153,156
Utilities	**12,639**	11,258	**42,680**	34,233
Other expense (recovery)	**2,489**	(1,569)	**11,386**	24,081
Changes in inventories[(1)]	**5,349**	15,979	**73,650**	(82,170)
	$ 275,050	$ 269,428	**$ 842,160**	$ 662,037

(1) Includes write-downs of $15.1 million and $92.3 million for the three and nine months ended September 30, 2022 (2021 – write-downs of $2.5 million and recoveries of $12.9 million, respectively) and were included in cost of sales.
(2) Includes $9.4 million of mine closure severances at Manantial Espejo for the three and nine months ended September 30, 2022 with no amounts recorded during the comparative periods in 2021.

18. MINE CARE AND MAINTENANCE

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Escobal	**$ 5,826**	$ 5,711	**$ 18,743**	$ 17,585
Morococha	**4,685**	—	**11,574**	—
Navidad	**2,175**	1,780	**4,328**	4,929
	$ 12,686	$ 7,491	**$ 34,645**	$ 22,514

As at September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 2022 and 2021 (unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

19. INTEREST AND FINANCE EXPENSE

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Interest expense	**$ 1,202**	$ 1,013	**$ 3,111**	$ 2,838
Finance fees	**654**	2,413	**1,819**	4,270
Accretion expense (Note 11)	**3,711**	1,868	**11,131**	5,606
	$ 5,567	$ 5,294	**$ 16,061**	$ 12,714

20. EARNINGS PER SHARE (BASIC AND DILUTED)

For the three months ended September 30,	2022			2021		
	Earnings[(1)] (Numerator)	**Shares (000's) (Denominator)**	**Per-Share Amount**	Earnings[(1)] (Numerator)	Shares (000's) (Denominator)	Per-Share Amount
Net (loss) earnings for the period	**$ (71,527)**			$ 20,251		
Basic (loss) earnings per share	**$ (71,527)**	**210,531**	**$ (0.34)**	$ 20,251	210,299	$ 0.10
Effect of Dilutive Securities:						
Stock Options	**—**	**—**		—	120	
Diluted (loss) earnings per share	**$ (71,527)**	**210,531**	**$ (0.34)**	$ 20,251	210,419	$ 0.10

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

For the nine months ended September 30,	2022			2021		
	Earnings[(1)] (Numerator)	**Shares (000's) (Denominator)**	**Per-Share Amount**	Earnings[(1)] (Numerator)	Shares (000's) (Denominator)	Per-Share Amount
Net earnings for the period	**$ (168,992)**			$ 83,392		
Basic earnings per share	**$ (168,992)**	**210,503**	**$ (0.80)**	$ 83,392	210,282	$ 0.40
Effect of Dilutive Securities:						
Stock Options	**—**	**—**		—	149	
Diluted earnings per share	**$ (168,992)**	**210,503**	**$ (0.80)**	$ 83,392	210,431	$ 0.40

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

Potentially dilutive securities excluded in the diluted earnings per share calculation were 210,688 and 234,406 out-of-the-money options (2021 – 11,929 for both periods), respectively, for the three and nine months ended September 30, 2022. Also excluded for the three and nine months ended September 30, 2022 were CVRs potentially convertible into 15,600,034 common shares (2021 – CVRs potentially convertible into 15,600,034 common shares for both periods).

21. SUPPLEMENTAL CASH FLOW INFORMATION

The following tables summarize other adjustments for non-cash income statement items, changes in operating working capital items and significant non-cash items:

	Three months ended September 30,		Nine months ended September 30,	
Other operating activities	**2022**	2021	**2022**	2021
Adjustments for non-cash income statement items:				
Unrealized foreign exchange losses	**$ 3,806**	$ 1,285	**$ 9,678**	$ 5,060
Interest expense (Note 19)	**1,202**	1,013	**3,111**	2,838
Losses (gains) on derivatives (Note 4d)	**6,537**	1,735	**(1,518)**	(3,755)
Share-based compensation expense	**1,294**	895	**3,917**	3,025
Losses (gains) on sale of mineral properties, plant and equipment	**606**	(28,462)	**1,305**	(32,718)
	$ 13,445	$ (23,534)	**$ 16,493**	$ (25,550)

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

	Three months ended September 30,		Nine months ended September 30,	
Changes in non-cash operating working capital items:	**2022**	2021	**2022**	2021
Trade and other receivables	**$ 19,589**	$ 5,947	**$ 11,029**	$ (2,623)
Inventories	**(10,517)**	12,561	**(26,602)**	(65,802)
Prepaid expenses	**3,004**	3,287	**5,635**	5,533
Accounts payable and accrued liabilities	**9,250**	8,615	**(2,118)**	9,748
Provisions	**278**	(7,403)	**(909)**	(8,262)
	$ 21,604	$ 23,007	**$ (12,965)**	$ (61,406)

Cash and Cash Equivalents	**September 30, 2022**	December 31, 2021
Cash in banks	**$ 153,079**	$ 283,550

22. 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 ("CODM") 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.

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

For the three months ended September 30, 2022

Segment/ Country	Operation	Revenue	Production costs and royalties	Depreciation	Mine operating earnings (losses)	Capital expenditures(1)
Silver Segment:						
Mexico	La Colorada	**$ 33,517**	**$ 24,548**	**$ 4,882**	**$ 4,087**	**$ 32,439**
Peru	Huaron	**31,459**	**27,594**	**3,148**	**717**	**3,753**
	Morococha (2)	**93**	**(624)**	**—**	**717**	**364**
Bolivia	San Vicente	**20,360**	**15,833**	**2,323**	**2,204**	**265**
Argentina	Manantial Espejo	**23,475**	**34,959**	**5,662**	**(17,146)**	**973**
Guatemala	Escobal	**—**	**—**	**—**	**—**	**647**
Total Silver Segment		**108,904**	**102,310**	**16,015**	**(9,421)**	**38,441**
Gold Segment:						
Mexico	Dolores	**68,503**	**68,136**	**32,395**	**(32,028)**	**5,310**
Peru	Shahuindo	**60,192**	**36,523**	**10,428**	**13,241**	**10,549**
	La Arena	**42,704**	**28,505**	**9,005**	**5,194**	**9,679**
Canada	Timmins	**58,586**	**47,301**	**9,560**	**1,725**	**8,715**
Total Gold Segment		**229,985**	**180,465**	**61,388**	**(11,868)**	**34,253**
Other segment:						
Canada	Pas Corp	**—**	**—**	**92**	**(92)**	**88**
Argentina	Navidad	**—**	**—**	**—**	**—**	**16**
Other	Other	**—**	**—**	**407**	**(407)**	**515**
Total		**$ 338,889**	**$ 282,775**	**$ 77,902**	**$ (21,788)**	**$ 73,313**

(1) Includes payments for mineral properties, plant and equipment and payment of equipment leases.
(2) Morococha was placed on care and maintenance in February 2022.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

For the three months ended September 30, 2021

Segment/ Country	Operation	Revenue	Production costs and royalties	Depreciation	Mine operating earnings (losses)	Capital expenditures[(1)]
Silver Segment:						
Mexico	La Colorada	$ 43,977	$ 28,274	$ 6,436	$ 9,267	$ 18,750
Peru	Huaron	43,448	25,701	3,264	14,483	2,744
	Morococha	26,499	18,686	3,441	4,372	2,142
Bolivia	San Vicente	11,302	9,196	1,423	683	1,480
Argentina	Manantial Espejo	35,009	32,253	3,503	(747)	1,353
Guatemala	Escobal	—	—	—	—	141
Total Silver Segment		160,235	114,110	18,067	28,058	26,610
Gold Segment:						
Mexico	Dolores	104,494	54,138	27,962	22,394	11,214
Peru	Shahuindo	82,672	36,265	14,230	32,177	7,551
	La Arena	47,616	25,380	11,212	11,024	8,258
Canada	Timmins	65,332	48,385	11,229	5,718	11,461
Total Gold Segment		300,114	164,168	64,633	71,313	38,484
Other segment:						
Canada	Pas Corp	—	—	113	(113)	83
Argentina	Navidad	—	—	—	—	5
Other	Other	—	—	371	(371)	153
Total		$ 460,349	$ 278,278	$ 83,184	$ 98,887	$ 65,335

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

For the nine months ended September 30, 2022

Segment/ Country	Operation	Revenue	Production costs and royalties	Depreciation	Mine operating earnings (losses)	Capital expenditures[(1)]
Silver Segment:						
Mexico	La Colorada	**$ 112,865**	**$ 70,964**	**$ 15,027**	**$ 26,874**	**$ 67,532**
Peru	Huaron	**105,114**	**73,645**	**8,997**	**22,472**	**9,987**
	Morococha [(2)]	**22,059**	**20,533**	**2,332**	**(806)**	**1,024**
Bolivia	San Vicente	**63,333**	**48,841**	**7,422**	**7,070**	**6,542**
Argentina	Manantial Espejo	**84,053**	**94,254**	**18,283**	**(28,484)**	**3,624**
Guatemala	Escobal	**—**	**—**	**—**	**—**	**1,468**
Total Silver Segment		**387,424**	**308,237**	**52,061**	**27,126**	**90,177**
Gold Segment:						
Mexico	Dolores	**235,505**	**243,498**	**98,600**	**(106,593)**	**31,238**
Peru	Shahuindo	**183,528**	**102,079**	**30,278**	**51,171**	**24,699**
	La Arena	**122,919**	**73,184**	**24,571**	**25,164**	**36,580**
Canada	Timmins	**189,870**	**142,178**	**29,625**	**18,067**	**29,167**
Total Gold Segment		**731,822**	**560,939**	**183,074**	**(12,191)**	**121,684**
Other segment:						
Canada	Pas Corp	**—**	**—**	**302**	**(302)**	**263**
Argentina	Navidad	**—**	**—**	**—**	**—**	**45**
Other	Other	**—**	**—**	**1,318**	**(1,318)**	**1,287**
Total		**$ 1,119,246**	**$ 869,176**	**$ 236,755**	**$ 13,315**	**$ 213,456**

(1) Includes payments for mineral properties, plant and equipment and payment of equipment leases.
(2) Morococha was placed on care and maintenance in February 2022.

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

For the nine months ended September 30, 2021

Segment/ Country	Operation	Revenue	Production costs and royalties	Depreciation	Mine operating earnings (losses)	Capital expenditures[(1)]
Silver Segment:						
Mexico	La Colorada	$ 83,748	$ 47,984	$ 13,826	$ 21,938	$ 42,601
Peru	Huaron	117,622	68,212	8,703	40,707	6,905
	Morococha	79,661	56,462	10,440	12,759	6,898
Bolivia	San Vicente	58,346	41,883	6,780	9,683	2,871
Argentina	Manantial Espejo	87,536	78,291	9,847	(602)	5,002
Guatemala	Escobal	—	—	—	—	437
Total Silver Segment		426,913	292,832	49,596	84,485	64,714
Gold Segment:						
Mexico	Dolores	269,981	120,837	82,386	66,758	28,469
Peru	Shahuindo	183,468	80,776	30,309	72,383	19,262
	La Arena	146,727	62,038	32,116	52,573	35,484
Canada	Timmins	183,491	135,381	31,180	16,930	33,639
Total Gold Segment		783,667	399,032	175,991	208,644	116,854
Other segment:						
Canada	Pas Corp	—	—	351	(351)	248
Argentina	Navidad	—	—	—	—	84
Other	Other	—	—	879	(879)	411
Total		$ 1,210,580	$ 691,864	$ 226,817	$ 291,899	$ 182,311

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

At September 30, 2022

Segment/Country	Operation	Assets	Liabilities	Net assets
Silver Segment:				
Mexico	La Colorada	**$ 357,785**	**$ 60,683**	**$ 297,102**
Peru	Huaron	**112,397**	**49,705**	**62,692**
	Morococha	**106,765**	**32,930**	**73,835**
Bolivia	San Vicente	**83,145**	**43,446**	**39,699**
Argentina	Manantial Espejo	**46,529**	**35,405**	**11,124**
Guatemala	Escobal	**290,986**	**19,638**	**271,348**
Total Silver Segment		**997,607**	**241,807**	**755,800**
Gold Segment:				
Mexico	Dolores	**435,677**	**137,006**	**298,671**
Peru	Shahuindo	**610,704**	**200,525**	**410,179**
	La Arena	**324,125**	**109,848**	**214,277**
Canada	Timmins	**401,816**	**69,630**	**332,186**
Total Gold Segment		**1,772,322**	**517,009**	**1,255,313**
Other segment:				
Canada	Pas Corp	**142,176**	**27,796**	**114,380**
Argentina	Navidad	**194,689**	**2,639**	**192,050**
	Other	**92,765**	**47,265**	**45,500**
Total		**$ 3,199,559**	**$ 836,516**	**$ 2,363,043**

(unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

At December 31, 2021

Segment/Country	Operation	Assets	Liabilities	Net assets
Silver Segment:				
Mexico	La Colorada	$ 299,038	$ 52,934	$ 246,104
Peru	Huaron	117,514	59,975	57,539
	Morococha	124,607	40,494	84,113
Bolivia	San Vicente	88,924	53,264	35,660
Argentina	Manantial Espejo (1)	78,240	29,155	49,085
Guatemala	Escobal	287,811	19,833	267,978
Total Silver Segment		996,134	255,655	740,479
Gold Segment:				
Mexico	Dolores	750,220	193,638	556,582
Peru	Shahuindo	591,164	199,450	391,714
	La Arena	317,371	106,799	210,572
Canada	Timmins	419,106	62,196	356,910
Total Gold Segment		2,077,861	562,083	1,515,778
Other segment:				
Canada	Pas Corp	176,006	16,492	159,514
Argentina	Navidad	193,077	—	193,077
	Other (1)	75,506	48,346	27,160
Total		$ 3,518,584	$ 882,576	$ 2,636,008

(1) Recast comparative to be consistent with current presentation.

	Three months ended September 30,		Nine months ended September 30,	
Product Revenue	**2022**	2021	**2022**	2021
Refined silver and gold	**$ 258,629**	$ 338,325	**$ 826,033**	$ 881,829
Zinc concentrate	**25,979**	22,733	**82,463**	81,234
Lead concentrate	**33,938**	52,098	**119,262**	105,833
Copper concentrate	**8,402**	39,683	**48,455**	99,130
Silver concentrate	**11,941**	7,510	**43,033**	42,554
Total	**$ 338,889**	$ 460,349	**$ 1,119,246**	$ 1,210,580

23. INCOME TAXES

Income tax recognized in net earnings is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Current income tax expense	**$ 15,128**	$ 45,421	**$ 57,352**	$ 97,890
Deferred income tax (recovery) expense	**(13,208)**	4,964	**(37,124)**	20,068
Income tax expense	**$ 1,920**	$ 50,385	**$ 20,228**	$ 117,958

Income tax recognized as a component of the investment revaluation reserve is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Income tax recovery related to long-term investments	**5,088**	—	**5,088**	—

As at September 30, 2022 and December 31, 2021, and for the three and nine months ended September 30, 2022 and 2021 (unaudited with tabular amounts in thousands of U.S. dollars except number of shares, options, warrants, and per share amounts, unless otherwise noted)

Income tax expense differs from the amounts that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the items shown on the following table, which results in effective tax rates that vary considerably from the comparable period. The main factors that impacted the effective tax rate for the three and nine months ended September 30, 2022 and the comparable periods for 2021 were changes in the recognition of certain deferred tax assets primarily due to the Dolores impairment, foreign exchange rate fluctuations, mining taxes paid, and withholding taxes remitted on payments from foreign subsidiaries. The Company expects that these and other factors will continue to cause fluctuations in effective tax rates in the future.

Reconciliation of Effective Income Tax Rate

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	**2022**	2021
Earnings (loss) before taxes and non-controlling interest	**$ (69,282)**	$ 70,604	**$ (147,775)**	$ 201,856
Statutory Canadian income tax rate	**27.00 %**	27.00 %	**27.00 %**	27.00 %
Income tax (recovery) expense based on above rates	**$ (18,706)**	$ 19,063	**$ (39,899)**	$ 54,501
Increase (decrease) due to:				
Non-deductible expenditures	**1,135**	1,735	**3,746**	4,482
Foreign tax rate differences	**(1,076)**	6,539	**(10,718)**	14,375
Change in net deferred tax assets not recognized (1)	**11,067**	11,113	**8,259**	18,407
Derecognition of deferred tax assets previously recognized (2)	**—**	—	**50,356**	—
Effect of other taxes paid (mining and withholding)	**2,936**	5,977	**10,747**	19,984
Effect of foreign exchange on tax expense	**9,204**	8,293	**(2,392)**	10,776
Non-taxable impact of foreign exchange	**9**	(340)	**3,688**	1,157
Change in non-deductible portion of reclamation liabilities	**(2,839)**	(1,767)	**(2,243)**	(3,208)
Other	**190**	(228)	**(1,316)**	(2,516)
Income tax expense	**$ 1,920**	$ 50,385	**$ 20,228**	$ 117,958

(1) Includes deferred taxes related to amounts recorded in other comprehensive income for the three and nine months ended September 30, 2022 of $5.1 million with no amounts recognized in the comparative periods.

(2) Attributable to the loss of tax attributes as a result of the Dolores Impairment (Note 8).

24. CONTINGENCIES

The Company is subject to various legal, tax, environmental and regulatory 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. In the opinion of management none of these matters are expected to have a material adverse effect on the results of operations or financial conditions of the Company. Since December 31, 2021, there have been no significant changes to these contractual obligations and commitments.

25. 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 (Note 9). There were no other related party transactions for the three and nine months ended September 30, 2022 and 2021.

26. SUBSEQUENT EVENTS

The following significant events occurs subsequent to September 30, 2022:

Announced Arrangement Agreement with Yamana Gold Inc.

On November 8, 2022, the Company and Agnico Eagle Limited ("Agnico Eagle") entered into an arrangement agreement with Yamana Gold Inc. ("Yamana") pursuant to which Pan American will acquire all of the issued and outstanding common shares of Yamana and Yamana would sell its Canadian assets, primarily the Canadian Malartic mine, to Agnico Eagle (the “Transaction”). The Transaction will be completed by way of plan of arrangement.

The consideration for the Transaction consists of:

a. Approximately 153.5 million common shares of the Company;
b. $1.0 billion in cash contributed by Agnico Eagle; and,
c. Approximately 36.1 million common shares of Agnico Eagle.

The Transaction remains subject to simple majority approval (i.e. 50% +1) by the Company’s shareholders, 66 2/3% approval of the Transaction by Yamana’s shareholders, certain regulatory approvals, and court-approval of the plan of arrangement, as well as satisfaction of customary closing conditions. Subject to satisfaction of these conditions, the Transaction is expected to close in the first quarter of 2023.

Under the terms of the Transaction, the Company agreed to provide Yamana with $150 million towards a termination fee payable to Gold Fields Limited (“Gold Fields) in connection with the now terminated acquisition proposal of Yamana by Gold Fields. The Company has drawn down on its $500 million revolving sustainability-linked credit facility to fund its obligation towards the Yamana termination fee payment to Gold Fields.

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