



Dear Fellow Shareholders:

2019 was a pivotal year for MAG. We were able to work together with Fresnillo in the Joint Venture to announce a production decision, and the go-ahead to commence the final stage of construction of the Juanicipio project – the construction of the flotation plant and associated surface infrastructure.

This is a true milestone for the project and MAG shareholders who have been very patient over the years watching the project grow in size and value as exploration success continues with consistency in and around the Valdecañas vein and its associated vein system.

We worked closely with Fresnillo during the year, and the collaborative and respectful approach to developing the project between both of us has resulted in very good long term outcomes for the property.

The underground mine will enter into commercial production prior to the completion of the flotation plant, with cash flow opportunities for the joint venture realized in the second half of 2020. Pre-production mineralization from development, and some of the initial production stope mineralization, will be monetized by processing the material in the nearby Fresnillo Mine flotation plant.

Whilst the early cash flow is commercially attractive to the Joint Venture, the real value comes from having the unique opportunity to be able to process campaigned quantities of the Juanicipio mineralized material through a fully operational plant with a comparable process flowsheet. This will provide the joint venture with insight to the metallurgical performance of the Juanicipio mineralized material, which will enable de-risking of the Juanicipio flotation plant start up, and the ability to accelerate the projected ramp-up profile.

Our balance sheet remains solid, and we welcome Eric Sprott as a new significant shareholder with his recent commitment and investment in MAG. We also recognize our long standing shareholders, who have steadily been there for us throughout this exciting journey, as we have raised capital to fund our share of the project, as we have discovered the Valdecañas Deep Zone, and as we have upsized and engineered a more robust project design, for a long life facility, with the potential for future expansion.

We are in an exciting time in the development of MAG. Early cash flow from the underground, commissioning and start-up of the flotation plant next year, then ongoing profitability from a very high margin, large scale, long life silver, gold, lead and zinc producing asset.

The fun is only just starting. The Juanicipio joint venture property is still very much an exploration story with a number of high potential targets untested. The confirmation of the Valdecañas fluid upwelling zone, the discovery of the dilatant zone, and the discovery of the perpendicular north-south trending Venadas family of veins has opened up the geological potential of the area while providing significant mining flexibility– and remember, despite the exploration success we have had so far, we have only drilled 5% of the surface area of the property.

So please stay tuned.

We have achieved our outcomes from the dedication and abilities of a lot of people. I would like to thank our shareholders, our people, business partners, Fresnillo and the MAG Board of Directors for their support and direction.

Lastly, it is the end of an era for MAG with our long-serving Chairman Jonathan Rubenstein not standing for re-election to the Board at our AGM this year. I know I speak on behalf of the Board and Management in acknowledging Jonathan's contribution to MAG over the years, and the leadership and direction he provided to the company. You will be missed Jonathan, and we thank you whole-heartedly for your years of service at MAG.

Sincerely,

*"George Paspalas"*

President and Chief Executive Officer