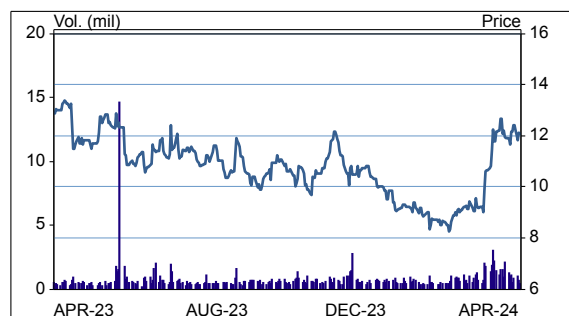


MAG Silver Corp (MAG)
Rating: Buy

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**1Q24 Production Results; Juanicipio Continues to Show Strength;
 Commodity Price Deck Revision; Reiterate Buy; PT Higher**

Stock Data		4/24/2024		
Price		\$12.07		
Price Target		\$17.00		
52-Week High		\$13.62		
52-Week Low		\$8.20		
Enterprise Value (M)		\$1,174.5		
Market Cap (M)		\$1,243		
Shares Outstanding (M)		103.0		
3 Month Avg Volume		908,793		
Short Interest (M)		3.50		
Balance Sheet Metrics				
Cash (M)		\$68.7		
Total Debt (M)		\$0.0		
Total Cash/Share		\$0.67		
General: All figures in US\$ unless otherwise noted.				
EPS (\$) Diluted				
Full Year - Dec	2023A	2024E	2025E	
FY	0.47	0.59	0.59	
Revenue (\$M)				
Full Year - Dec	2023A	2024E	2025E	
FY	442.3	562.3	565.3	

On 100% basis.

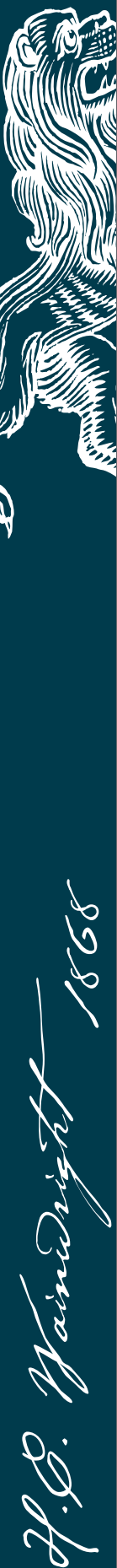


1Q24 production results. On April 24, MAG Silver announced its 1Q24 production results. During the quarter, Juanicipio produced a total of 4.4M ounces (oz) of silver (-1% QoQ) and 9,927oz of gold (-6% QoQ) based on preliminary production estimates. Overall, Juanicipio processed 325,684 tonnes of ore (-6% QoQ) at an average silver grade of 475 grams per tonne (gpt) (+2% QoQ) and an average gold grade of 1.32gpt (-4% QoQ). We stress that the firm incurred a four-day shutdown for maintenance activities during the quarter, which ultimately drove the slightly lowered performance QoQ. Importantly, however, Juanicipio delivered throughput of 3,980 tonnes per operating day, which remains a strong indicator for the operational potential of the site. In conclusion, we view the recent production results as affirmation to our investment thesis on the company and stress that recent production results reiterate our opinion of Juanicipio's status as a high-grade mineral deposit with favorable economics.

Precious metal price deck revision. Given the ongoing strength in gold and silver pricing, we are updating our forward-looking precious metal price deck. We have also made this decision following various macroeconomic developments that have meaningfully driven increased gold and silver prices over the last year. Gold has risen 16.4% to \$2,324/oz from \$1,996/oz, while silver has increased 8.3% to \$27.29/oz from \$25.20/oz over the past 12 months, respectively. Importantly, these revised estimates consider the ongoing inflationary environment, continued investment in safe-haven assets, and recessionary concerns. In addition, we also stress that precious metals may further benefit from a potential leveling off from current interest rate levels.

We are revising our gold and silver prices upward. We now utilize an updated price deck of \$2,100 per ounce (oz) of gold and \$26/oz of silver. Importantly, these figures remain well below current spot pricing. Based on the recent momentum in precious metal prices, we plan to apply these figures across our coverage universe to all metals and mining research reports as of April 10, 2024. Notably, this revised outlook compares quite favorably to our prior price deck that implied long-term pricing of \$1,900/oz of gold and \$25/oz of silver, respectively. Our new estimates, therefore, represent price increases of 10.5% for gold and 4.0% for silver, respectively.

We reiterate our Buy rating on shares of MAG Silver while increasing our PT to \$17 from \$16. Our increased PT is primarily attributable to the aforementioned revisions to our price deck, which are now factored into our model. Our overall valuation for Juanicipio remains based on a DCF of operations while utilizing an unchanged 7.0% discount rate. This figure remains slightly lower than the discount rates applied to most other Mexican assets throughout our coverage universe. Going forward, we still believe that our lower discount rate accurately accounts for MAG's high-grade orebody, profitable joint venture agreement, and extensive production potential.



Near-term catalysts. We anticipate continued strength in Juanicipio's quarterly operating performance throughout the remainder of the year. Looking ahead, we anticipate drilling and exploration at the firm's Deer Trail and Larder projects to continue. Notably, we believe that increased drilling efforts have the potential to further unlock additional value for MAG's shareholders. Longer-term, we expect MAG's exploration projects to ultimately become important secondary assets as Juanicipio moves through its mine life. This effect is likely to be especially pronounced as neither project appears to receive much credit from MAG's other analysts. Lastly, we note that MAG expects to release its financial and operational results on May 14, 2024.

Risks. (1) Commodity price risk; (2) increase in capital through the commissioning of Juanicipio; (3) operating and technical risks; (4) political risk; and (5) JV-related risks.

MAG Silver Corp		2024E	2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E
Juanicipio												
Tonnes Milled		1,285,684	1,304,000	1,294,000	1,300,000	1,318,000	1,297,000	1,308,000	1,309,000	1,308,000	1,302,000	1,302,000
Silver Grade (g/t)		419	373	320	287	198	170	198	169	200	245	170
Recovery Rate		91.0%	91.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
Annual Silver production ('000s of oz)		15,257	13,767	11,334	10,212	7,143	6,035	7,089	6,055	7,160	8,731	6,058
Silver Sales Price	\$	26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00	\$ 26.00
Gold Grade (g/t)		1.3	1.5	1.5	1.5	1.9	1.7	1.6	1.7	1.6	1.5	1.4
Recovery Rate		80.8%	80.8%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%
Annual Gold Production ('000s of oz)		41	49	52	52	66	56	55	57	55	51	47
Growth												
Gold Sales Price	\$	2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Silver:Gold Ratio		80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8	80.8
Silver Equivalent ('000s of oz)		3,327	3,970	4,178	4,197	5,368	4,516	4,444	4,585	4,444	4,149	3,764
Lead Grade		1.4%	1.6%	2.2%	3.1%	3.5%	3.0%	3.0%	2.7%	2.8%	3.1%	2.7%
Recovery Rate		93.8%	93.8%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%
Annual Lead Production ('000s of pounds)		37,679	42,336	54,728	77,933	88,473	76,243	75,367	67,298	71,561	79,063	68,706
Growth												
Lead Sales Price per pound	\$	0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85	\$ 0.85
Value of Lead (in '000s of \$)		32,027	35,986	46,519	66,243	75,202	64,806	64,062	57,203	60,826	67,203	58,400
Silver Equivalent ('000s of oz)		1,232	1,384	1,789	2,548	2,892	2,493	2,464	2,200	2,339	2,585	2,246
Zinc Grade		2.7%	2.7%	3.7%	5.1%	6.2%	5.4%	4.9%	5.2%	4.9%	5.8%	5.9%
Recovery Rate		87.8%	87.8%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%
Annual Zinc Production ('000s of pounds)		66,984	68,151	81,495	112,548	137,599	118,673	108,578	115,549	109,244	127,088	129,740
Growth												
Zinc Sales Price per pound	\$	1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00
Value of Zinc (in '000s)		66,984	68,151	81,495	112,548	137,599	118,673	108,578	115,549	109,244	127,088	129,740
Silver Equivalent ('000s of oz)		2,576	2,621	3,134	4,329	5,292	4,564	4,176	4,444	4,202	4,888	4,990
Silver & Gold		18,584	17,737	15,512	14,409	12,511	10,551	11,533	10,641	11,604	12,880	9,822
Base Metal Credits (in '000s)		99,012	104,137	128,014	178,791	212,801	183,480	172,640	172,753	170,071	194,291	188,140
Total Silver Equivalents & Base Metals		22,392	21,743	20,435	21,286	20,695	17,608	18,173	17,285	18,145	20,353	17,059
Total Cash Cost per ounce of silver equivalent	\$	4.60	\$ 4.60	\$ 4.69	\$ 4.79	\$ 4.88	\$ 4.98	\$ 5.08	\$ 5.18	\$ 5.28	\$ 5.39	\$ 5.50
Revenue from Silver ('000s)	\$	396,673	\$ 357,940	\$ 294,679	\$ 265,516	\$ 185,714	\$ 156,911	\$ 184,305	\$ 157,431	\$ 186,167	\$ 227,008	\$ 157,516
% of total revenue		68.1%	63.3%	55.5%	48.0%	34.5%	34.3%	39.0%	35.0%	39.5%	42.9%	35.5%
Revenue from Gold ('000s)	\$	86,514	\$ 103,231	\$ 108,626	\$ 109,130	\$ 139,566	\$ 117,417	\$ 115,542	\$ 119,222	\$ 115,542	\$ 107,869	\$ 97,868
% of total revenue		14.9%	18.3%	20.4%	19.7%	25.9%	25.6%	24.5%	26.5%	24.5%	20.4%	22.1%
Revenue from Lead ('000s)	\$	32,027	\$ 35,986	\$ 46,519	\$ 66,243	\$ 75,202	\$ 64,806	\$ 64,062	\$ 57,203	\$ 60,826	\$ 67,203	\$ 58,400
% of total revenue		5.5%	6.4%	8.8%	12.0%	14.0%	14.2%	13.6%	12.7%	12.9%	12.7%	13.2%
Revenue from Zinc ('000s)	\$	66,984	\$ 68,151	\$ 81,495	\$ 112,548	\$ 137,599	\$ 118,673	\$ 108,578	\$ 115,549	\$ 109,244	\$ 127,088	\$ 129,740
% of total revenue		11.5%	12.1%	15.3%	20.3%	25.6%	25.9%	23.0%	25.7%	23.2%	24.0%	29.3%
Total Revenue	\$	582,199	\$ 565,307	\$ 531,319	\$ 553,436	\$ 538,081	\$ 457,808	\$ 472,488	\$ 449,406	\$ 471,780	\$ 529,168	\$ 443,524
Gross Profit (in '000s of \$)		479,194	465,291	435,436	451,565	437,055	370,135	380,193	359,864	375,901	419,475	349,746
CapEx	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Tax @ 30.0% plus 7.5% EBITDA & 0.5% revenue	30.0%	(137,075)	(132,924)	(124,022)	(128,850)	(124,529)	(104,553)	(107,569)	(101,507)	(106,310)	(119,342)	(98,518)
Net effective operating cash flow		322,119	312,367	291,415	302,715	292,526	245,581	252,624	238,357	249,591	280,133	231,227
Cash Flow Discount Rate	7.0%											
Present Value		322,119	291,932	254,533	247,105	223,167	175,096	168,334	148,437	145,264	152,374	117,544
% owned by MAG		44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
Value to MAG Shareholders		141,732	128,450	111,994	108,726	98,193	77,042	74,067	65,312	63,916	67,044	51,719
Total Current Value	\$	1,115,720										
Fully Diluted Shares ('000s)		105,098										
Juanicipio NAV per share	\$	10.62										
Multiple		1.4										
Juanicipio current value	\$	1,562,008										
<i>Juanicipio Value per share</i>	<i>\$</i>	<i>14.86</i>										
Cinco de Mayo value	\$	125,000										
Multiple		1.0										
Cinco de Mayo fair value	\$	125,000										
Plus Cash & Equivalents	\$	68,707	\$ 0.65 per share	As of 12/31/23								
Plus Finished Goods	\$	-										
Plus Exploratory Assets	\$	52,637	\$ 0.50 per share									
Plus ownership in Reyna Silver Corp. (RSLV.V)	\$	1,911	\$ 0.02 per share	based on 14.6M common shares at C\$0.18 as of 04/03/2024		0.7293	USD/CAD exchange rate as of 04/24/2024					
Less Debt	\$	-										
Total Current Value ('000s of US\$)	\$	1,810,263										
Basic shares		102,973	As of 12/31/23									
Options, DSU's, RSU's, and PSU's		2,125	As of 12/31/23									
Fully Diluted Shares ('000s)		105,098	As of 12/31/23									
NAV per share	\$	17.22										
Rounded (\$1.00) price target	\$	17.00										
Current MAG share price	\$	12.07	29.0% discount to price target as of 04/24/2024									
Source: H.C. Wainwright & Co. estimates.												

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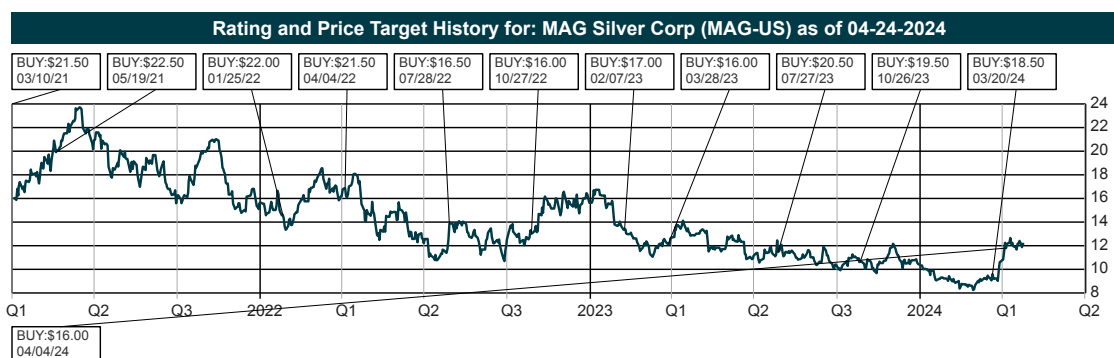
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Related Companies Mentioned in this Report as of April/24/2024

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
	FRES.L				
	RSLV.V				

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Distribution of Ratings Table as of April 24, 2024

Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	553	89.48%	139	25.14%
Neutral	60	9.71%	6	10.00%
Sell	1	0.16%	0	0.00%
Under Review	4	0.65%	1	25.00%

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