

**MAG Silver Corp (MAG)**
**Rating: Buy**

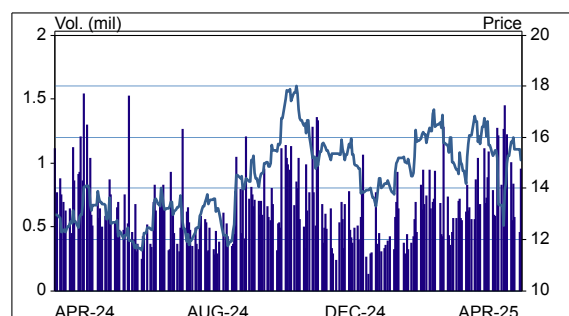
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**1Q25 Production Results Impress As Juanicipio Achieves Record 96.0% Silver Recovery; 2025 Guidance Released; Reit. Buy**

Stock Data		4/23/2025	
Price		\$15.60	
Price Target		\$22.00	
52-Week High		\$18.27	
52-Week Low		\$11.29	
Enterprise Value (M)		\$1,450.7	
Market Cap (M)		\$1,613	
Shares Outstanding (M)		103.4	
3 Month Avg Volume		739,937	
Short Interest (M)		1.88	
Balance Sheet Metrics			
Cash (M)		\$162.3	
Total Debt (M)		\$0.0	
Total Cash/Share		\$1.57	
General: All figures in US\$ unless otherwise noted.			
EPS (\$) Diluted			
Full Year - Dec	2023A	2024A	2025E
FY	0.47	0.75	1.01
Revenue (\$M)			
Full Year - Dec	2023A	2024A	2025E
FY	442.3	627.4	692.9

On 100% basis.


**On April 23, 2025, MAG Silver released its 1Q25 production results.**

During the quarter, Juanicipio processed 337,000 tonnes (t) of ore at an average silver grade of 430 grams per tonne (gpt) (-10% YoY) and an average gold grade of 1.24gpt (-6% YoY). The site ultimately produced a total of 4.5M ounces (oz) of silver (+1% YoY) and 10,196oz of gold (+3% YoY). We also highlight that Juanicipio recognized a record silver recovery rate of 96.0%. Growth of lead and zinc production from the site continued, with 10.6M pounds (lbs) (22% YoY) and 16.9Mlbs (15% YoY), respectively. In our view, the period marks another strong quarter of production from the asset, with financial effects exacerbated by strong commodity pricing. Looking ahead, we expect MAG to continue recognizing significant free cash flow that should be driven by sustained metal prices amid strong throughput and further improvements at site.

**Impressive 2025 guidance.** Silver production at Juanicipio is expected to range between 14.7M — 16.7Moz, with payable silver production anticipated to be between 13.1M — 14.9Moz. This guidance is driven by a throughput rate of 4,000t per day alongside silver grades of 380 — 430gpt and gold grades of 1.2 — 1.4gpt, respectively. We highlight that the firm's cost guidance reflects its optimization initiatives and sustaining capital investments, with all-in sustaining costs projected to be only \$6.00 — \$8.00 per silver ounce. Sustaining capital is presently estimated to fall into a range of \$70.0M — \$80.0M. This total is anticipated to cover an extension of Juanicipio's tailings dam's capacity by about six years, the development of underground workshops, electrical and pumping infrastructure, and ventilation systems. We also highlight that an expansionary capital investment of \$22.0 — \$28.0M is expected to focus on installing an underground conveyor system, which should be commissioned in late 2026. Management has noted that this system is likely to increase mining rates, improve efficiencies, and reduce operating costs.

**We reiterate our Buy rating on MAG and our PT of \$22.** We maintain our below-market discount rate of 6.0% on Juanicipio, which values the asset at \$1.91B. This figure remains intentionally lower than our discount rates applied to most other Mexican assets throughout our coverage universe and accounts for MAG's high-grade orebody, profitable joint venture agreement, and extensive long-term production potential. We ultimately estimate an overall NAV of \$2.30B for MAG that accounts for the firm's exploration assets and includes \$162.3M in cash and equivalents. This provides a value of \$21.76 per share, which we round to our final price target of \$22.00.

**Near-term catalysts.** We plan to closely monitor production updates from Juanicipio as we note that our current production forecast for silver at site remains at the upper end of management's guidance range. We also reiterate our view on the potential for value creation from MAG's Larder and Deer Trail projects over the longer-term. We maintain our belief that positive exploration updates from these assets are likely to provide longer-term value to shareholders, as both assets remain largely overlooked by the market.

**Risks.** (1) Commodity price risk; (2) operating and technical risks; (3) political risk; and (4) JV-related risks.

MAG Silver Corp																
Juancipio		2025E	2026E	2027E	2028E	2029E	2030E	2031E	2032E	2033E	2034E	2035E	2036E	2037E	2038E	
Tonnes Milled		1,342,000	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	1,302,000	1,000,000	1,000,000	1,000,000	
Silver Grade (g/t)		422.5	320	287	198	170	198	169	200	245	170	172	170	170	170	
Recovery Rate		92.3%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	
Annual Silver Production ('000s of oz)		16,416	11,334	10,212	7,143	6,035	7,089	6,055	7,160	8,731	6,058	6,130	4,653	4,653	4,653	
Silver Sales Price		\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	\$ 30.00	
Gold Grade (g/t)		1.3	1.5	1.5	1.9	1.7	1.6	1.7	1.6	1.5	1.4	1.7	1.4	1.4	1.4	
Recovery Rate		80.8%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	84.0%	
Annual Gold Production ('000s of oz)		45	52	52	66	56	55	57	55	51	47	59	36	36	36	
Growth																
Gold Sales Price		\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	
Silver:Gold Ratio		83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	83.3	
Silver Equivalent ('000s of oz)		3,752	4,311	4,331	5,538	4,659	4,585	4,731	4,585	4,281	3,884	4,876	2,961	2,961	2,961	
Lead Grade		1.6%	2.2%	3.1%	3.5%	3.0%	3.0%	2.7%	2.8%	3.1%	2.7%	3.1%	1.6%	1.6%	1.6%	
Recovery Rate		93.8%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	
Annual Lead Production ('000s of pounds)		43,205	54,728	77,933	88,473	76,243	75,367	67,298	71,561	79,063	68,706	78,558	31,817	31,817	31,817	
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	\$ 0.85	\$ 0.85	\$ 0.85	
Value of Lead (in '000s of \$)		36,724	46,519	66,243	75,202	64,806	64,062	57,203	60,826	67,203	58,400	66,774	27,045	27,045	27,045	
Silver Equivalent ('000s of oz)		1,224	1,551	2,208	2,507	2,160	2,135	1,907	2,028	2,240	1,947	2,226	901	901	901	
Zinc Grade		2.8%	3.7%	5.1%	6.2%	5.4%	4.9%	5.2%	4.9%	5.8%	5.9%	6.2%	3.2%	3.2%	3.2%	
Recovery Rate		87.8%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	77.0%	
Annual Zinc Production ('000s of pounds)		69,418	81,495	112,548	137,599	118,673	108,578	115,549	109,244	127,088	129,740	135,929	53,473	53,473	53,473	
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	\$ 1.00	\$ 1.00	\$ 1.00	
Value of Zinc (in '000s)		69,418	81,495	112,548	137,599	118,673	108,578	115,549	109,244	127,088	129,740	135,929	53,473	53,473	53,473	
Silver Equivalent ('000s of oz)		2,314	2,717	3,752	4,587	3,956	3,619	3,852	3,641	4,236	4,325	4,531	1,782	1,782	1,782	
Silver & Gold		20,168	15,644	14,543	12,681	10,694	11,674	10,786	11,745	13,012	9,942	11,005	7,614	7,614	7,614	
Base Metal Credits (in '000s)		106,142	128,014	178,791	212,801	183,480	172,640	172,753	170,071	194,291	188,140	202,703	80,518	80,518	80,518	
Total Silver Equivalents & Base Metals		23,706	19,911	20,502	19,775	16,810	17,428	16,544	17,414	19,488	16,213	17,762	10,298	10,298	10,298	
Total Cash Cost per ounce of silver equivalent		\$ 4.60	\$ 4.69	\$ 4.79	\$ 4.88	\$ 4.98	\$ 5.08	\$ 5.18	\$ 5.28	\$ 5.39	\$ 5.50	\$ 5.61	\$ 5.72	\$ 5.83	\$ 5.95	
Revenue from Silver ('000s)		\$ 492,486	\$ 340,014	\$ 306,364	\$ 214,286	\$ 181,051	\$ 212,660	\$ 181,652	\$ 214,808	\$ 261,933	\$ 181,749	\$ 183,888	\$ 139,592	\$ 139,592	\$ 139,592	
% of total revenue		69.2%	56.9%	49.8%	36.1%	35.9%	40.7%	36.6%	41.1%	44.8%	37.4%	34.5%	45.2%	45.2%	45.2%	
Revenue from Gold ('000s)		\$ 112,563	\$ 129,316	\$ 129,916	\$ 166,150	\$ 139,782	\$ 137,550	\$ 141,931	\$ 137,550	\$ 128,415	\$ 116,509	\$ 146,274	\$ 88,832	\$ 88,832	\$ 88,832	
% of total revenue		15.8%	21.6%	21.1%	28.0%	27.7%	26.3%	28.6%	26.3%	22.0%	24.0%	27.5%	28.8%	28.8%	28.8%	
Revenue from Lead ('000s)		\$ 36,724	\$ 46,519	\$ 66,243	\$ 75,202	\$ 64,806	\$ 64,062	\$ 57,203	\$ 60,826	\$ 67,203	\$ 58,400	\$ 66,774	\$ 27,045	\$ 27,045	\$ 27,045	
% of total revenue		5.2%	7.8%	10.8%	12.7%	12.9%	12.3%	11.5%	11.6%	11.5%	12.0%	12.5%	8.8%	8.8%	8.8%	
Revenue from Zinc ('000s)		\$ 69,418	\$ 81,495	\$ 112,548	\$ 137,599	\$ 118,673	\$ 108,578	\$ 115,549	\$ 109,244	\$ 127,088	\$ 129,740	\$ 135,929	\$ 53,473	\$ 53,473	\$ 53,473	
% of total revenue		9.8%	13.6%	18.3%	23.2%	23.5%	20.8%	23.3%	20.9%	21.7%	26.7%	25.5%	17.3%	17.3%	17.3%	
Total Revenue		\$ 711,191	\$ 597,345	\$ 615,071	\$ 593,237	\$ 504,314	\$ 522,850	\$ 496,335	\$ 522,429	\$ 584,639	\$ 486,399	\$ 532,864	\$ 308,942	\$ 308,942	\$ 308,942	
Gross Profit (in '000s of \$)		602,141	503,920	516,950	496,706	420,611	434,336	410,629	430,413	479,606	397,267	433,265	250,042	248,864	247,662	
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)	(20,000)	(20,000)	
Tax @ 30.0% plus 7.5% EBITDA & 0.5% revenue	30.0%	(173,682)	(144,383)	(148,283)	(142,253)	(119,550)	(123,657)	(116,591)	(122,508)	(137,208)	(112,633)	(123,394)	(68,682)	(68,337)	(67,986)	
Net effective operating cash flow		408,459	339,537	348,667	334,453	281,061	290,678	274,038	287,905	322,398	264,635	289,871	161,360	160,526	159,676	
Cash Flow Discount Rate	6.0%															
Present Value		408,459	320,318	310,312	280,814	222,627	217,212	193,186	191,473	202,277	156,637	161,862	85,002	79,777	74,862	
% owned by MAG		44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	
Value to MAG Shareholders		179,722	140,940	136,537	123,558	97,956	95,573	85,002	84,248	89,002	68,920	71,219	37,401	35,102	32,939	
Total Current Value	\$ 1,278,120	Note: Fresnillo owns 56%, MAG the remaining 44%														
Fully Diluted Shares ('000s)		105,700														
Juancipio NAV per share	\$ 12.09															
Multiple	1.5															
Juancipio current value	\$ 1,917,179															
Juancipio Value per share	\$ 18.14															
Cinco de Mayo value	\$ 140,000															
Multiple	1.0															
Cinco de Mayo fair value	\$ 140,000															
Plus Cash & Equivalents	\$ 162,347	\$ 1.54 per share	As of 12/31/2024													
Plus Finished Goods	\$ -															
Plus Exploratory Assets	\$ 80,118	\$ 0.76 per share	As of 12/31/2024													
Plus ownership in Reyna Silver Corp. (RSLV.V)	\$ 733	\$ 0.01 per share	based on 14.6M common shares at C\$0.07 as of 04/23/25													
Less Debt	\$ -															
Total Current Value ('000s of US\$)	\$ 2,300,378															
Basic shares	103,357	As of 12/31/2024														
Options, DSU's, RSU's, and PSU's	2,342	As of 12/31/2024														
Fully Diluted Shares ('000s)	105,700	As of 12/31/2024														
NAV per share	\$ 21.76															
Rounded (\$1.00) price target	\$ 22.00															
Current MAG share price	\$ 15.60	29.1% discount to price target	as of 04/23/25													
Source: H.C. Wainwright & Co. estimates.																

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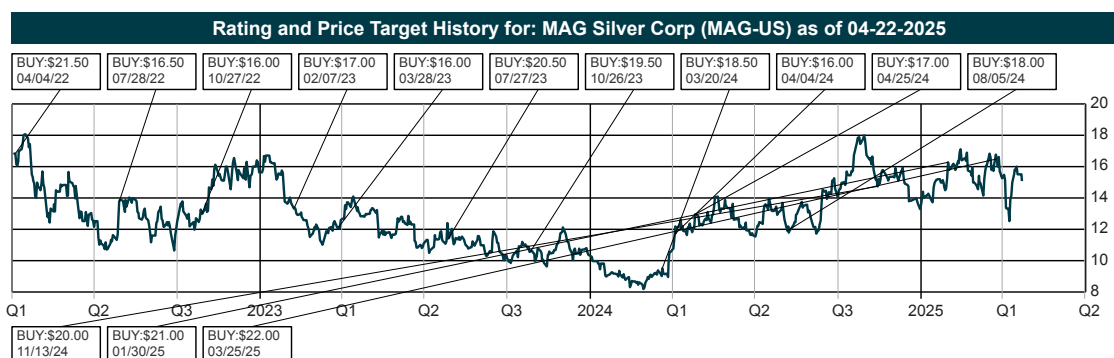
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Distribution of Ratings Table as of April 22, 2025					
Ratings	Count	Percent	IB Service/Past 12 Months		
			Count	Percent	
Buy	506	76.32%	106	20.95%	
Neutral	69	10.41%	10	14.49%	
Sell	0	0.00%	0	0.00%	
Under Review	88	13.27%	24	27.27%	

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