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TSX-V: MAG

NR 03-10
August 20, 2003

MAG SILVER CORP. ACQUIRES GROUND OVER POTENTIAL NORTHWEST EXTENSION OF FRESNILLO DISTRICT

MAG Silver Corp. (TSX-V: MAG) is pleased to announce that it has daimed 11,388 hectares of uninterrupted open ground west and north of its Juanicipio I claim, which has been the focus of its recent drilling program (see announcement of August 14, 2003). The new exploration claim, named "Lagartos I" after MAG's Mexican subsidiary, is nearly contiguous with the Juanicipio I claim, with only minor holdings separating the two claims. The combination of the two claims gives MAG a solid position in the advancing exploration area in the western portion of the Fresnillo District, which hosts the world's largest silver mine, the Fresnillo Mine. The ground was claimed because preliminary re-evaluation of mineral zoning in the Fresnillo District, triggered by the results of recent exploration drilling by MAG and Industrias Peñoles, suggests that a mirror-image continuation of the Fresnillo District could lie hidden under cover to the northwest of Juanicipio. Satellite image analysis shows a major structural trend projects into Lagartos I, which MAG expects to explore with the same exploration techniques being successfully applied in Juanicipio.

"Fresnillo is a giant hydrothermal system by any standard, but our recent discovery of its continuation, 5 km to the west within Juanicipio, highlights the fact that the district's complete extent is only beginning to be appreciated," said MAG president, George Young. "MAG believes that a complete reappraisal of the existing district-scale interpretations, including overall district zoning and mineralizing fluid source concepts, has exciting potential to reveal new areas for high-potential exploration within our new Lagartos I Claim," he continued.

Guigui Project Highlights:

MAG also announces that it has nearly completed its preparations for its upcoming drilling program at its Guigui Project, scheduled to commence in late September. The Guigui target is near-source mineralization in the historic Santa Eulalia District, which has been defined through exhaustive geological and geochemical zoning studies and extensive geophysical surveys. The geologically indicated target coincides with an NSAMT geophysical anomaly over a kilometre across.

Working Capital Highlights:

As of August 15, 2003, MAG had in excess of \$4,200,000 in working capital, ample to fund its foreseeable exploration requirements for its three present projects, Juanicipio, Guigui and Batopilas.

Juanicipio Exploration Highlights: (See Announcement of August 14, 2003)

MAG's first holes targeted the "Poleo Trend" in the western portion of the Fresnillo District, which has been extensively drilled by mine operator Industrias Peñoles over the last few years. A wedge offset from **Hole JI-0301, JI-0301A**, intersected a banded quartz-sulphide vein carrying gold and silver grades comparable to the production grades in the Fresnillo Mine, 21.5 ounces of silver per tonne and 0.04 ounces of gold per tonne. In **JI-0301** the gold grades were higher, 0.35 ounces of gold per tonne, while the silver grade was lower, 6.4 ounces of silver per tonne. Production grades in the Fresnillo Mine typically have averaged 23 ounces per ton silver and 0.1 ounces per ton gold. In addition to grade, the mineralogy, orientation, vertical position, mineralization style and crystal-lined voids of the JI-0301 vein closely match the hallmarks of the "Santo Nino" style Fresnillo mineralization being mined today.

Hole JI-0302, drilled 450m to the northwest of JI-0301, appears to have hit the “Poleo” structure at shallow depth before cutting several “Heavy Sulfide Veins” typical of an important early mineralization stage at Fresnillo. Oxidized and enriched surface outcrops of Heavy Sulfide Veins were the basis of Fresnillo’s discovery in 1560 and are cut by the higher grade Santo Niño style silver veins that are mined today. The same relationship is seen in Juanicipio between the veins in JI-0301 and JI-0302. Although the JI-0302 results are lower for silver and gold than JI-0301 and JI-0301A, they are significantly richer in gold than comparable Heavy Sulfide Veins at Fresnillo, suggesting that gold values may be higher overall in Juanicipio than in the active Fresnillo mining area.

Hole JI-0303 was lost in a 3.5 meter (10-foot) wide crystal-lined void, approximately 30 meters before reaching its target NSAMT anomaly. This anomaly coincides closely with a mapped structural zone approximately 75 meters wide and it appears the void lies within a vein in the hangingwall portion of the structural zone. The void may be similar to that hit in JI-0301 and this structure will be retested later.

JI-0304 is currently in progress to test the continuation of the “Poleo Sur Trend” into Juanicipio. The Poleo Sur Trend runs parallel to, and about 400 metres south of the Poleo Trend successfully tested in JI-0301 and described above. Peñoles is currently using three drills to aggressively explore Poleo Sur within 2 kilometres of the eastern Juanicipio claim boundary. Like the other major Juanicipio target structures, the Poleo Sur Trend has been mapped for several kilometres within Juanicipio and coincides with a strong NSAMT anomaly.

About MAG Silver Corp.

MAG combines a seasoned management team with high quality exploration targets covering and adjoining high-grade world class silver districts in the Mexican Silver Belt. The Juanicipio property currently being drilled lies adjacent to Fresnillo, Zacatecas, the world’s largest silver producer. MAG’s second project is the Guigui Project just outside Chihuahua City. Guigui targets the source of the Santa Eulalia District, which has produced over 450,000,000 ounces of silver from a series of high-grade replacement deposits, but has never been traced to its source. MAG’s third project is the historic Batopilas silver district that produced 300,000,000 ounces of silver from native silver orebodies, grading up to 70% silver, prior to its abrupt closure during the Mexican Revolution. Having consolidated Batopilas for the first time since the 1930’s, MAG will be the first to apply modern exploration techniques to delineate new high-grade targets in this long dormant district. Drilling at Batopilas is planned for mid-2004.

On behalf of the Board of
MAG SILVER CORP.

"George S. Young"

President, Director

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this news release, which has been prepared by management.