



## MAG SILVER CORPORATION

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TSX-V: MAG

NR 03-11  
October 14, 2003

### **MAG SILVER ENCOUNTERS MORE FRESNILLO STYLE SILVER MINERALIZATION AT JUANICIPIO**

**MAG Silver Corp.** (TSX-V: MAG) is pleased to report that two more holes drilled on its 100% controlled Juanicipio Claim have successfully cut a significant mineralized vein showing the same characteristics as the adjoining Fresnillo Mine. At least three structures have been confirmed to contain Fresnillo Style mineralization on Juanicipio. Drilling and assaying are continuing.

Hole 5 cut a 2.9 metre wide composite vein, including an interval of 1.1 metres of nearly massive galena-sphalerite-pyrite mineralization that graded 246 g/T (8 ounces per tonne) silver, 9% lead, 10.8% zinc, and 0.25 grams per tonne gold. This mineralization is very similar to the deep sulphide mineralization cut in Hole 2 on a nearby, parallel structure but with higher silver grades than the Hole 2 structure released earlier. Holes 5 and 6 both cut mineralization in the same prominent structure about 150 meters on strike and 350 meters vertically from each other, and the structure is open and traceable for at least 4 kilometres within the Juanicipio Claim. The Hole 6 vein intercept is above and to the east of Hole 5 and contains abundant pyrargyrite, the silver mineral diagnostic of Santo Nino- Fresnillo style silver mineralization, and with almost no lead (galena) or zinc (sphalerite). Assays for Hole 6 are pending.

The intercepts thus far at Juanicipio confirm that the phases of mineralization at Fresnillo are present on MAG's property and that the publicly available model of the mine geology can be used directly to guide drilling. Typically the high grade silver mineralization of the Santo Nino style veins at Fresnillo is found above a lead-zinc-silver phase. This model was successfully used in the drill targeting of Holes 5 and 6 at Juanicipio.

MAG President George Young said, "We're very pleased with how we've proven our initial exploration concept and how rapidly we're refining our exploration tools to zero in on the high-grade Santo Nino style silver zones. To date we've achieved three major milestones. First, our drilling results are clearly showing us that we've got Fresnillo-style mineralization in several separate structures; second, we've shown that NSAMT geophysics traces these structures nicely; and third, the conductive anomalies NSAMT picks up in the structures reflect the deep, base metal rich roots of the veins - so targeting our holes above these conductors puts us into high grade silver mineralization at much shallower depths. This adds great confidence to our Phase 2 targeting as well as the application of these tools to the new ground we've acquired to the northwest. We are also very excited about the exploration potential of the zone, 800m west of Hole 5, where our mapping indicates the veins drilled in Holes 2, 5, and 6 intersect."

The nearly 3 metre wide sulphide-rich Hole 5 vein intercept was encountered approximately 650 metres vertically from the surface within a strong NSAMT conductive anomaly, surrounded by a 30 metre wide zone of calcite and quartz veinlets, many carrying abundant pyrite, galena, sphalerite and chalcopyrite. Gold grades in the sulphides are lower than those encountered in Hole 2. However, deeper in Hole 5 (700 m), a 2.25 metre wide vein was cut carrying 0.9 g/T Au and relatively low Ag. This suggests both that there may be a previously unrecognized separate gold mineralization stage in the Fresnillo system and that at least some structures experienced multiple mineralizing events.

As reported earlier (MAG Silver Press Release of August, 14, 2003) Hole 3 was lost in a 3.5 metre wide crystal lined void 50 metres above target depth. Assays obtained since that release show that veinlets encountered just prior to losing the hole carried 13-15 g/T Ag (approximately ½ ounce/T Ag) suggesting that mineralization was being approached as the hole was lost. Hole 4 targeting was based on projecting drill pads from Peñoles exploration of the “Poleo Sur Vein” 2.5 kilometres westward into Juanicipio. This projection lined up with several structures in Juanicipio and the strongest of these was targeted for drilling. This structure was cut at surprisingly shallow depth indicating that it had flattened significantly and was probably not the Poleo Sur Vein. Subsequent drilling by Peñoles indicates that the Poleo Sur Vein, like numerous others in the district, veers northward to the west and that Hole 4 may have been collared too far south. Detailed geophysics may be used to pick up the Poleo Sur Trend for further drill testing.

## **Background**

Juanicipio lies 5 km from the principal production headframe of the Fresnillo Mine, and less than 3 km from its westernmost underground workings. Industrias Peñoles currently produce over 31 million ounces of silver annually from high-grade (23 oz/T Ag plus up to .1 oz/T Au) veins. Production since 1560 is around 800 million ounces of silver, with half of this coming since 1976 when the high-grade Santo Nino style veins currently being mined were found. Current silver reserves exceed 500 million ounces. Recent exploration by Peñoles has focused on tracing veins discovered in the last 6 years westward from the historic mining centre towards Juanicipio. Peñoles has recently begun ramping up production to over 50 million ounces per year through exploitation of the San Carlos Vein, the biggest of their new western vein discoveries.

MAG Silver recently optioned and then bought outright the Juanicipio Claim. MAG also acquired in excess of 11,200 additional hectares west of Juanicipio based on the success with the company's exploration model (see MAG Silver Press Release of August 20, 2003).

## **Qualified Person and Quality Assurance and Control**

Dr. Peter Megaw, Ph.D., C.P.G., has acted as the Qualified Person as defined in National Instrument 43-101, for this drilling and disclosure and supervised the preparation of the technical information in this release. Dr. Megaw has a Ph.D. in geology and more than 20 years of relevant experience focussed on silver and gold mineralization, and exploration and drilling in Mexico. He is a Certified Professional Geologist (CPG 10227) by the American Institute of Professional Geologists and an Arizona Registered Geologist (ARG 21613). Dr. Megaw is not independent as he is a MAG Silver shareholder and a vendor of two projects, other than Juanicipio, whereby he may receive additional shares.

In the work for MAG, Dr. Megaw has designed the drill holes and directed the work of project geologists who have logged and sampled the drill core under his control and supervision. The core has been split or sawn in half, with half retained for future reference. The sampled half is stored securely until picked up on-site by the laboratory directly from the geologist in charge. The samples reported here were assayed by standard Fire Assay and Atomic Absorption methods by BSI Inspectorate in their Reno, Nevada laboratory after preparation in their Durango, Mexico facilities. Sampling procedures include the insertion by MAG of blind duplicates and blanks into the sample stream for assay in addition to the lab's internal quality control standards. Selected significant gold and silver assays will be checked by another competent laboratory.

Readers are referred to the qualifying report dated November 19, 2002 by Pincock, Allen and Holt, Qualified Person, available at [www.magsilver.com](http://www.magsilver.com) for background information on the project and the program underway.

### **About MAG Silver Corp.**

MAG combines a seasoned management team with two drill-ready targets adjoining high-grade world class producing districts. In addition to the Juancipio property described in this release, MAG also controls the Guigui project, targeted for the potential source stockwork of the Santa Eulalia District near Chihuahua, Mexico, known to encompass the world's largest carbonate replacement deposit. Although the Santa Eulalia District has produced over 450,000,000 ounces of silver historically from a series of high-grade deposits, its source stockwork and any associated contact skarn have never been identified. Drilling at Guigui is planned for the fall of 2003.

The Don Fippi Project, in the Batopilas District, comprises MAG's third high-grade silver target. Another historic mining district, Batopilas provided 300,000,000 ounces until its abrupt closure during the Mexican revolution. Consolidated by MAG for the first time since the revolution, the Batopilas District has numerous potential high-grade targets that for the first time will be tested with modern exploration techniques. Native silver in calcite, grading up to 70% silver, comprised the principal target mineral historically. Sophisticated exploration will delineate additional high-grade targets for drill testing on or adjacent to former producing structures.

MAG Silver is focussed on exploration targets in the Mexican silver belt that are of interest at any conceivable silver price, in districts with known large scale production.

**TABLE 1: SELECTED INTERVALS AND RESULTS FROM DRILL HOLES JI0303, JI0304 and JI0305**

HOLE	FROM	TO	INTERVAL	Recovery (%)	Au g/t	Ag g/t	Pb %	Zn %
Ji0303	822.74	822.83	0.09	76	0.261	<b>15.5</b>	0.0307	0.0890
Ji0303	831.64	832.18	0.54	97	0.049	<b>13.3</b>	0.0093	0.0370
Ji0304	867.96	868.26	0.30	99	0.050	<b>26.7</b>	0.0188	0.0580
Ji0305	580.45	581.20	0.75	97	0.108	<b>394.8</b>	0.2370	0.3190
Ji0305	779.20	779.37	0.17	100	0.165	<b>231.0</b>	0.7900	<b>5.2000</b>
Ji0305	802.47	803.12	0.65	100	0.029	<b>74.9</b>	<b>2.1500</b>	<b>3.6000</b>
Ji0305	803.12	804.27	1.15	100	0.343	<b>43.1</b>	<b>1.1000</b>	<b>2.8000</b>
Ji0305	804.27	805.37	1.10	100	0.246	<b>246.8</b>	<b>9.0000</b>	<b>10.8000</b>
Ji0305	858.00	859.03	1.03	88	<b>1.217</b>	<b>30.3</b>	0.2450	<b>2.2000</b>
Ji0305	859.03	860.28	1.25	88	<b>0.606</b>	<b>18.8</b>	0.0429	0.1150

HOLE	FROM	TO	INTERVAL	DESCRIPTION
Ji0303	822.74	822.83	0.09	3 cm wide quartz veinlet with trace pyrite, chalcopyrite and galena
Ji0303	831.64	832.18	0.54	Branching calcite veinlets with trace pyrite
Ji0304	867.96	868.26	0.30	20 cm wide calcite veinlet zone with pyrite
Ji0305	580.45	581.20	0.75	3 cm wide quartz veinlet with strong sphalerite, galena, acanthite and pyrite
Ji0305	779.20	779.37	0.17	17 cm wide quartz vein with pyrite, sphalerite, galena and chalcopyrite
Ji0305	802.47	803.12	0.65	65 cm wide quartz vein with abundant pyrite, sphalerite, galena and pyrrhotite.
Ji0305	803.12	804.27	1.15	Quartz vein with abundant pyrite, sphalerite, galena and pyrrhotite.
Ji0305	804.27	805.37	1.10	Quartz vein with nearly massive pyrite, sphalerite, galena and pyrrhotite.
Ji0305	858.00	859.03	1.03	Calcite-quartz veinlet zone with abundant pyrite, sphalerite, galena and chalcopyrite.
Ji0305	859.03	860.28	1.25	Calcite-quartz veinlet zone with abundant pyrite, sphalerite, galena and chalcopyrite.

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.*