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[THE TIMELESS PRECIOUS METAL FUND](#)

MAG SILVER CORP. (TSXV:MAG) FOLLOW-UP NO 2 / March 31, 2006

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MAG SILVER COPR.: RETURN ON CAD 10,000 INVESTMENT					
Purchase Date	No. of Shares	Purchase Price	Cost (CAD)	Price Today	Value Today
December 9, 2005	10'000	1.05	10'500.00		
Total	10'000	1.05	10'500.00	3.75	37'500.00
Profit					27'000.00
Profit (in %)					157%



SHARES ISSUED / OUTSTANDING	MARKET CAP
36,191,648 / 41,931,138	CAD 113.7 Million
52 WEEK LOW / HIGH	AVERAGE VOLUME TSX/V
CAD 0.62 / 3.75	93,000
RECOMMENDATION	RISK RATING
BUY	HIGH

PROJECTS LOCATED WITHIN THE MEXICAN SILVER BELT

Business Summary

MAG is a silver **exploration company** focused on projects located within the Mexican Silver Belt. The large land inventory is well positioned in mining districts with historical and ongoing large-scale high-grade silver production.

MAG's exploration efforts are engaged in the search for multi-million ounce silver deposits on a district scale. MAG is committed to discover silver deposits of size and grade that are able to withstand and overcome fluctuations in commodity prices. **The mission is to become one of the premiere silver explorers in the Silver Mining Industry, concentrating on the Mexican silver belt.**

ADARGAS PROPERTY MUNICIPIO JIMENEZ, CHIHUAHUA, MEXICO

The Adargas District is an under-explored 850 hectare Au, Ag, Pb, Zn, Cu Carbonate Replacement Deposit (CRD) target that lies at the intersection of two exceptionally productive regional ore deposit trends. Adargas mineralization consists of a series of irregular dike-contact replacement chimneys that plunge generally north and widen with depth. Historic data indicate that pre-1924 production from Adargas was roughly 350,000 T of oxide ores grading 9-27 g/T (.25-.9 oz/T) Au, 1000 g/T (34 oz/T) Ag, and 24-36% Pb. High zinc grades are also present, but zinc was not recovered from the oxide

ores. High gold grades were encountered throughout the mine, with the highest in the deeper oxidized parts of the mine.



CINCO DE MAYO PROPERTY MUNICIPIO VILLA AHUMADA CHIHUAHUA, MEXICO

Cinco de Mayo is a 2,500 hectare Carbonate Replacement Deposit (CRD) prospect located in **north-central Chihuahua**. The acquisition of this property evolved from a review of data collected during 15 years of systematic exploration and a study of the geologic characteristics of the CRD's prospects in Chihuahua by Dr. Peter Megaw and Minera Cascabel. This compilation revealed key features that set the important CRD systems like Santa Eulalia, Naica, Bismark, and San Pedro Corralitos apart from the numerous small CRD showings and Mississippi Valley Deposits that occur elsewhere in the region. Cinco de Mayo lies directly along the same major deep crustal break that underlies these important CRD/skarn systems and shares many of the key features of the distal parts of Santa Eulalia, **indicating that the potential for finding a large CRD system is excellent.**

JUANICIOPI PROPERTY MUNICIPIO FRESNILLO ZACATECAS, MEXICO

The Juanicipio Project covers 8,000 hectares and is located 6 kilometres west of the principal production headframe of the **Fresnillo Mine**. **This mine currently produces over 34 million ounces of silver per year from a series of high-grade epithermal veins that "top-out" about 200 metres below the surface.** Exploration for these vein deposits has historically been through alluvial "cover", resulting in spectacular "blind" discoveries and a skewed view of the districts' geology and magnitude.

MAG's exploration concept is that Fresnillo District veins continue onto the Juanicipio property, well beyond the current mining area.

Industrias Peñoles, operators of the Fresnillo Mine, are actively tracing veins in several locales to within a few hundred metres of the western Juanicipio border, reinforcing this interpretation. The

geology, structure, geochemistry and geophysics in Juanicipio are similar enough that exploration models from Fresnillo can be readily applied to Juanicipio to generate quality, potentially high-grade drill targets. **Because Fresnillo's importance has made it the subject of many exploration and academic studies, there is a wealth of information to use as a basis for comparison and exploration modeling.**

GUIGUI PROPERTY MUNICIPIO AQUILES SERDAN CHIHUAHUA, MEXICO

The Guigui property is located within the Santa Eulalia Mining District, 22 kilometres east of Chihuahua City, Chihuahua in northernmost central Mexico. Santa Eulalia is the largest of a number of similar districts that occur along the intersection of the Laramide-aged Mexican Thrust Belt and the Tertiary volcanic plateau of the Sierra Madre Occidental.

Santa Eulalia produced over 450,000,000 ounces of silver and substantial amounts of lead and zinc over the nearly 300-year period from 1702-2001. Santa Eulalia and comparable Carbonate Replacement Deposits (CRD) are generally considered to form a spectrum ranging from stock contact skarns, through dike and sill contact skarns and massive sulfides, to massive sulfide chimneys and mantos. Santa Eulalia mineralization is very closely related in time and space to a series of felsite intrusions that apparently had a common stock source. **It is the search for this intrusive source that is the foundation of exploration in the Guigui Project.** Similar intrusions occupy the centre of substantial additional stock contact mineralization in districts such as San Martin, Zacatecas or Leadville, Colorado.

LAGARTOS PROPERTY MUNICIPIO FRESNILLO ZACATECAS, MEXICO

Consistently elevated gold values from MAG's 2003 Juanicipio drilling have suggested that a larger scale zoning may be in place than had previously been considered for the Fresnillo/Juanicipio/Lagartos district.

MAG subsequently examined surrounding areas for possible extensions to the system(s), both in outcrop and under cover. Satellite image and structural analysis of the region indicated areas of strong alteration similar to that drilled at Juanicipio. **This alteration is also coincident with a very prominent regional structure that hosts at least 3, one billion-plus ounce silver deposits.** In response, MAG acquired over 125,000 hectares of new claims, the Lagartos Property Package, on the most promising of areas using the Fresnillo/Juanicipio model. Preliminary work involved regional mapping and an orientation NSAMT geophysical survey as a possible first pass reconnaissance tool.

SIERRA RAMIREZ PROPERTY MUNICIPIO SAN JUAN de GUADALUPE DURANGO, MEXICO

The Sierra Ramirez District lies in eastern Durango State, approximately 80 kilometres west of the famous Providencia-Concepcion del Oro, Zacatecas District. Sierra

Ramirez is a typical Mexican Carbonate Replacement Deposit (CRD) target that produced and estimated 750,000-1,000,000 tons of very high grade (1000-3000 g/T Ag) Ag-Pb-Zn ores from Spanish Colonial times until the mid 1960s. Until recently the land status was high fractionated. MAG has acquired over 80% of the district under option from Minera Rio Tinto of Chihuahua, Mexico. Significant geotechnical work was conducted by a major company in the 1990s, but they abandoned the property during the downturn in the mineral industry and prior to drilling.

BATOPILAS PROPERTY BATOPILAS DISTRICT MUNICIPIO BATOPILAS CHIHUAHUA, MEXICO

MAG Silver optioned the Don Fippi property from Minera Cascabel who was able to consolidate over 95% of the main Batopilas District for the first time since 1913. Batopilas has produced an estimated 200-300,000,000 ounces of silver between 1660 and 1913 from ore shoots of very high grade crystalline native silver. These ore shoots are controlled by, and irregularly distributed along, a series of NE-trending structures. Batopilas Silver grades range from the 1880-1913 average direct-smelting grade of 8,000 g/T (257 oz/T) to high-grade ores of up to 75% Ag. Significant tonnages of milling-ore grading 265 g/T (8.5 oz/T) were also produced.

Recent News: MAG Silver Announces Industrias Peñoles Completes Second Share Subscription

MAG Silver Corporation and Industrias Peñoles S.A. de C.V. announced that Industrias Peñoles has completed its purchase of 245,716 shares of MAG Silver Corp in advance of the required timing under the terms of their **Juanicipio joint venture agreement**. The share price was \$2.35 which equates to a \$500,000 US investment in MAG Silver Corp. Upon closing of this placement Peñoles will hold a total of 867,293 MAG shares.

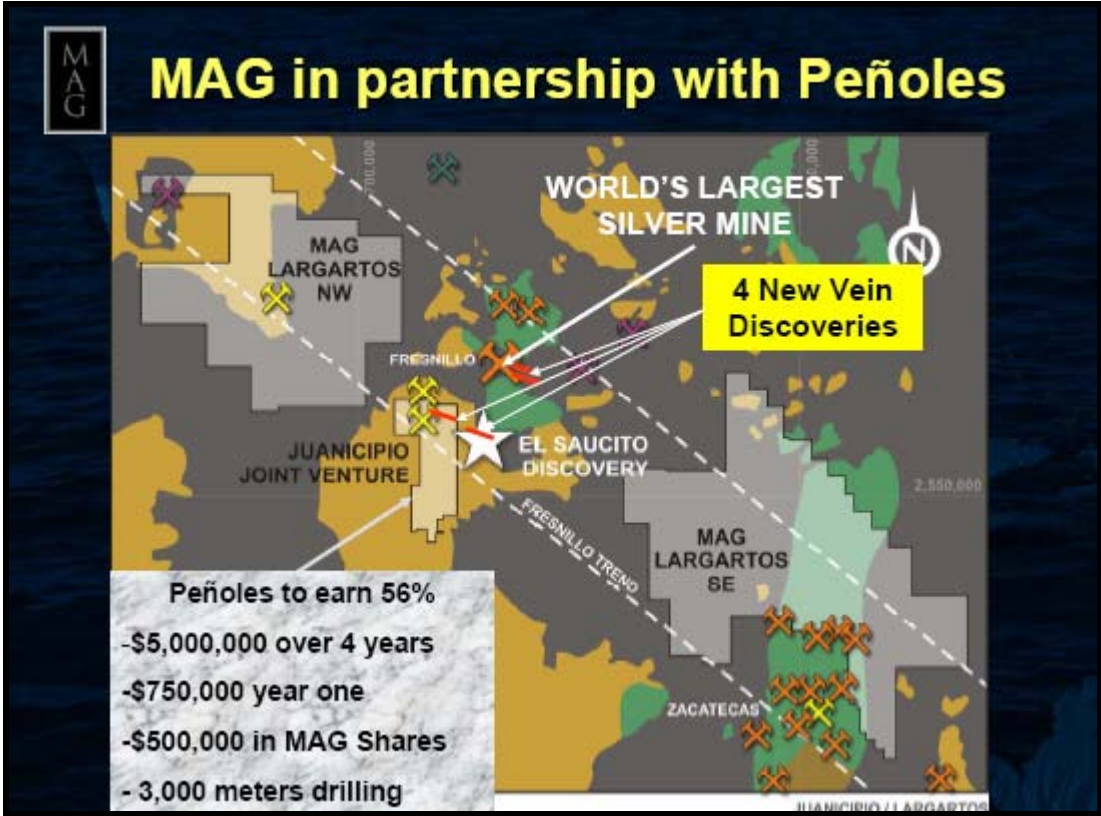
The exploration Joint Venture covers MAG's wholly-owned 8,302 hectare Juanicipio Property in Zacatecas, Mexico and Peñoles can earn a 56% interest in the property by expending US\$5,000,000 over a four year period.

MAG continues to hold a 100% interest in the surrounding Lagartos NW and SE properties that make MAG the largest landholder in the Zacatecas Silver district.

The Peñoles-MAG Joint Venture on the Juanicipio Property lies 5 kilometres west from the principal production head-frame of the Fresnillo Mine, and 2.3 kilometres from its westernmost underground workings.

Fundamental Considerations

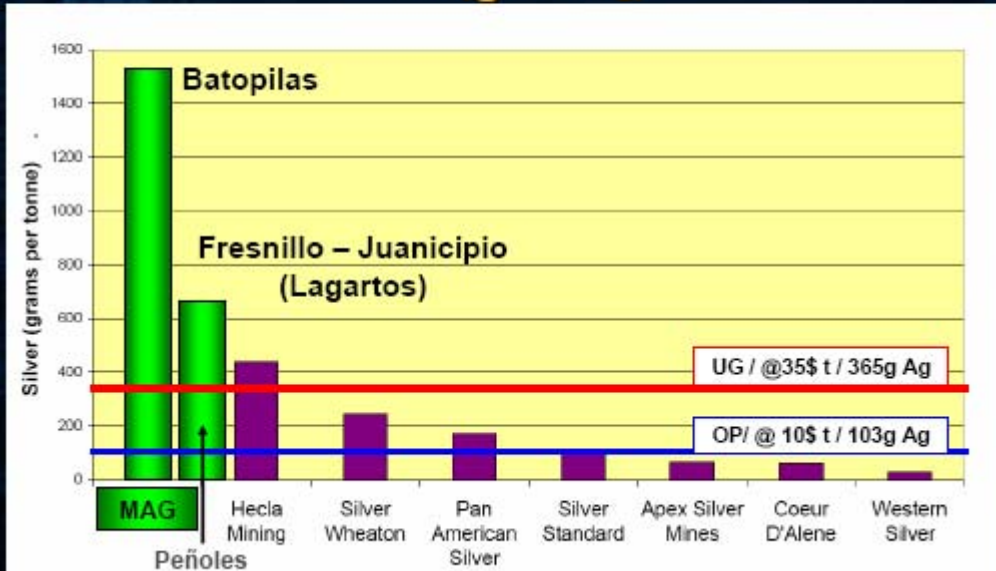
MAG has the properties, the grades and the partnership with Peñoles in one of the best silver belts of the world.





Grade is King....

For a robust economic deposit, the NSR should be 2 times the operating cost. (@ \$6.00 Ag)



Technical Considerations



"Drill campaigns and results at various properties throughout 2006 could ignite the share price any time.", we wrote on December 9. The break-out above long-term resistance promises further spikes upwards.

Peter Zihlmann



www.pzim.com
www.timeless-gold.com
invest@pzim.ch
+41 44 268 51 10

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is a shareholder in the company and will benefit from any increase in the company's share price.

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