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Magellan Copper and Gold Corp. (MAGE – OTCID Market)

Magellan Goes All-In on Gold, with its High-Grade Center Star Mine Providing Strong Upside while the Ophir Creek Mine is set to Cash Flow in 2026.

Strong Speculative Buy
Price Target Range:
$0.65 - $0.75 per share

Recent Price: US$0.227

Market Data (closing prices, March 11, 2026)	
Market Capitalization (mln)	7.99
Fully Diluted Market Cap (mln)	8.27*
Fully Diluted Shares (mln)	36.42
Avg. Volume (30-day)	16,613
Institutional Ownership	0%
Insider Ownership	51.9%
Gold Spot Price, 4 pm EST	$5,178.62 / oz.
Exchange	OTCID

**Fully diluted, as of Sept 30, 2025*

Balance Sheet Data (as of Sep 30th, 2025, in $000s)	
Shareholders' Equity	(22,747)
Price/Book Value	N/A
Cash	0.388
Net Working Capital	(2,111)
Long-Term Debt	0
Total Debt to Equity Capital	N/A

Company Overview

Magellan Copper & Gold Corp. is a U.S.-based, exploration-stage mining company focused on advancing historic precious and strategic metal projects in mining-friendly jurisdictions within the Western United States. The Company targets past-producing assets with documented mineralization and existing infrastructure, enabling capital-efficient exploration and redevelopment efforts. Its core assets are located in Idaho and Alaska, and include the Center Star underground gold mine (Idaho) and the pending Ophir Creek surface/placer mine acquisition (Alaska).

Company / Investor Contact Information

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Summary and Investment Opportunity

- **Geopolitical Uncertainty is Driving High and Persistent Demand for Gold**

Gold has re-emerged as a preferred portfolio hedge amid elevated geopolitical tension, persistent macro uncertainty, and renewed focus on hard-asset protection. In our view, this backdrop supports sustained investor interest in gold developers with credible paths to near-term value creation.

- **The Company's De-Risked Development Strategy Has Strong Upside Potential**

Magellan has ceased its non-gold initiatives and is now exclusively focused on gold. Rather than pursuing high-risk greenfield discovery, the Company's strategy is to acquire and redevelop past-producing assets where historic work confirms mineral endowment, and existing infrastructure can materially reduce the time and capital required to advance a project. In a higher gold-price environment, mines once considered uneconomic can become compelling "restart" opportunities.

- **Center Star Mine for Upside, Ophir Creek Mine for Cash Flow (Once Acquired)**

Magellan's flagship Center Star Mine in Idaho combines approximately 4,000 feet of historic underground workings with reported high-grade mineralization that far exceeds typical economic thresholds. Management's plan is to systematically validate historical data, re-access priority areas, and advance toward a production restart and resource expansion. In parallel, the Company plans to acquire the Ophir Creek placer project in Alaska as a potential near-term cash-flow engine intended to help fund corporate overhead and exploration work, thereby reducing reliance on dilutive financing structures.

- **Magellan Copper & Gold Has Expert Leadership and a Winning Dev. Strategy**

We view Magellan as an operator-led junior with a focused gold mandate and multiple credible value-creation pathways. If execution proceeds as planned, the combined leverage of a high-grade underground restart (Center Star) and potential near-term cash flow (Ophir Creek) could drive a meaningful market re-rating.

Therefore, we are initiating coverage of MAGE with a Strong Speculative Buy rating and a 12-month target price range of $0.65 - $0.75 per share.

Gold Intrusion into Quartz

Gold Recovered from Tailings

Center Star Exploration

Center Star Underground Workings

Please see analyst certification and disclosures on page 13 of this report.

Executive Summary

Magellan Copper & Gold Corp. (MAGE - OTCID)
Research Rating: Strong Speculative Buy
12-month Price Target Range: $0.65 - $0.75 per share

The Company is a U.S.-based, exploration-stage mining company currently executing a significant strategic pivot. Under the direction of CEO Michael Lavigne and COO Greg Schiffrin, the Company is streamlining its asset portfolio to divest non-core properties and concentrate exclusively on Two high-grade, historic opportunities: The Center Star Mine in Idaho and the Ophir Creek mine in Alaska (pending acquisition). Both are known to have excellent past workings, and in the case of the Ophir Creek Mine the Company believes it will be able to begin producing gold this year.

The investment opportunity MAGE offers is based on a "restart" strategy rather than on traditional grassroots exploration. This strategy offers several benefits, such as less exploration risk, far lower initial capital investment, and a much higher likelihood of developing near-term gold production. Magellan targets past-producing mines where significant mineralization was left behind due to low historical metal prices, technological limitations, or external constraints – most notably the federal War Powers Act of 1942, which forced the closure of many non-essential gold mines. With gold prices now trading near $5,000 per ounce, the economic cutoff grade has shifted dramatically, transforming what was once considered marginal rock into highly valuable ore.

Value Drivers

The Company offers investors exposure to two primary value drivers, each playing a specific role in the Company's growth trajectory. The Company also has additional projects that it has temporarily put on the back burner to allow the time to focus on the very best current opportunities.

The Center Star Mine (The Flagship Property)

A high-grade underground gold restart opportunity in Idaho, the mine features approximately 4,000 feet of existing underground workings and historic reports of rich gold deposits. These reports identify multiple zones of high-grade mineralization, ranging from 0.35 to 0.60 oz/ton, with localized pockets assaying well in excess of 1.0 oz/ton.

The Company views this property/project as the primary driver of appreciation as it is able to further define and prove up this resource. Also, other areas of high-grade gold mineralization have been identified along the geologic structural trend between the Center Star and South Fork mines, which offer additional exploration and ore reserve potential in the future.

Ophir Creek Mine (The Funding Engine)

The Company has negotiated a Letter of Intent to acquire the Ophir Creek Placer Gold Mine, and upon completion of the transaction the Company will own 100% of the project. Management believes it can bring this project into production as early as summer (2026), assuming that it can complete the acquisition of this property. The Company's goal is to generate non-dilutive cash flow from Ophir Creek to fund its corporate overhead, mining operations, and other exploration and drilling initiatives, thus mitigating the "dilution spiral" that commonly plagues the many companies in junior mining sector.

Investment Thesis

Our positive outlook on Magellan Copper & Gold is predicated on three primary factors: the economic arbitrage of reopening historic high-grade mines, a disciplined capital strategy driven by near-term cash flow, and the presence of seasoned management that is highly experienced in gold exploration and development.

Economic Arbitrage

The most compelling aspect of the Magellan story is its focus on "Brownfield" assets – properties with past production and existing infrastructure – rather than "Greenfield" exploration projects.

Many of the world's most attractive mining opportunities lie in older districts where operations ceased not because the ore ran out, but because of historical circumstances. The Center Star Mine, for example, ceased operations in 1942 due to the War Powers Act, which diverted labor and equipment to the war effort. This effectively "froze" the mine in time, leaving behind substantial mineralization that was fully defined but never extracted. In addition, new exploration techniques have the ability to further enhance the Company's ability to economically extract gold from this mine.

This situation has created a very powerful economic lever for the Company because of the dramatic shift in gold prices that has occurred since these mines were operated. For example, on an inflation-adjusted basis one ounce of gold was worth about $500/ounce when Center Star was last operated. As of this writing, the price of gold is $5,178.62 per ounce, over six times the inflation-adjusted 1942 price. This means that orebodies that were uneconomical to mine in 1942 could be wildly profitable to mine today. And given that miners could only mine "bonanza" grade ore in 1942, the Company expects to find large quantities of high-grade ore still in the ground at Center Star.

Infrastructure Savings

Developing a mine from scratch requires massive capital expenditure (CapEx) for road building, tunneling, permitting, and site preparation.

However, Center Star already possesses approximately 4,000 feet of underground workings (drifts, raises, and crosscuts), as well as a high-grade ore target that can be confirmed relatively easily, quickly, and inexpensively.

- Center Star's tunnels remain mostly accessible (with some caved in areas that need rehabilitation), providing immediate access to mineralized zones.

- This allows Magellan to bypass millions of dollars in sunk costs and years of development time, focusing its capital directly on drilling and resource expansion.

Self-Funding Business Model

A structural weakness in the junior mining sector is the reliance on equity markets to keep the lights on. Companies often find themselves in a vicious cycle of issuing shares to pay for drilling, diluting existing shareholders before any value is created.

Magellan is actively addressing this risk through its announced acquisition of the Ophir Creek mine in Alaska.

- **Near-Term Production:** Because the mine is a surface / placer operation with equipment already on-site, management believes production could commence this summer.

- **The Strategy:** Leadership's goal is not to build a massive mine at Ophir Creek, per se, but rather to build a successful "small" operation that will create a steady stream of operating cash flow for the Company, potentially for years to come. Management intends the cash flow this project provides to cover corporate expenses and to fund its exploration programs at Center Star, the potential "home run" mine.

Based on data provided by the Company, we have modeled out what the financial results of the 2026 season at Ophir Creek could be, given relatively conservative assumptions. Obviously, we cannot predict the future, so the Company's actual results at Ophir Creek could differ materially from those reflected in this model.

Key assumptions, Ophir Creek Financial Forecast, 2026			
Total production hours per shift	12	Average gold recovered per ton (grams)	0.5
Yards per hour	8.33	Gold recovery per shift (g)	900
Yards per shift	100	Gold recovery per season (g)	90,000
Tons per hour	150	Gold recovery per season, (ounces Troy)	2,893.6
Tons per shift	1,800	Gold value recovered per season, gross	$14,984,674
Running days per season	100	Gross costs plus G&A costs	55%
Current spot price of gold per gram	**$166.50**	**Gold value recovered in season, net**	**$6,743,103**

If the Company can successfully close this transaction as planned, and if they can run their first season on the property to the relatively conservative levels modeled here, then we believe this mine will indeed create a much-improved financial picture for the Company. This would potentially mean fewer and less dilutive private placements and an uptick in shareholder value.

Conclusion, Executive Summary

We rate Magellan Copper & Gold as a **Strong Speculative Buy and set our 12-month price target range at $0.65 - $0.75 per share**. The Company combines the asymmetric upside of exploration with the mitigated risk profile of brownfield redevelopment. While risks regarding financing, permitting, and execution remain, the Company's focus on proven mineralized systems and near-term production potential offers an attractive risk/reward profile. We recommend that all risk-tolerant investors seriously consider MAGE and the value it represents.

Industry Background and Analysis

Gold

While the investment case for gold often focuses on demand drivers – such as central bank accumulation, inflation hedging, and currency volatility – the more compelling narrative for Magellan lies on the supply side.

The End of "Easy Gold"

The mining industry is currently facing a phenomenon known as the "Grade Crunch." For decades, the average grade of new gold discoveries has steadily declined. The era of finding massive, high-grade deposits near the surface is largely over.

- **Declining Quality.** Modern open-pit mines often operate on ore grades of less than 1.0 gram per ton (g/t). To be profitable, these operations require massive scale and CapEx, moving millions of tons of earth to extract relatively small amounts of metal.

- **The Scarcity Premium.** High-grade deposits – those with grades measuring in ounces rather than grams – are increasingly rare. This scarcity creates a significant valuation premium for assets that possess high-grade mineralization, even if the total tonnage is smaller than a massive low-grade deposit.

The Economic Advantage of Historic Mines

We believe that the Company is in an excellent position due to its focus on previously producing mines that have known mineralization and low infrastructure investment requirements.

- **Selective Extraction.** Historic miners, limited by the technology and gold prices of the early 20th century, targeted only the richest veins. They frequently bypassed mineralization that did not meet the "bonanza" cutoff grades of the era, leaving what are now considered very rich grades behind.

- **"Brownfield" Arbitrage.** Reopening these "Brownfield" assets is often far more capital-efficient than building new mines. Underground mines like Center Star already possess tunnels and workings that would cost tens of millions of dollars to replicate today. Modern developers such as Magellan can reopen these workings to access known mineralization at a fraction of the cost and time required for greenfield development.

Industry Background and Analysis, Conclusion

The global price and supply picture for gold strongly supports Magellan's strategy of pursuing "restart" opportunities in historic districts where prior production confirms mineral endowment and where development can be advanced with comparatively modest upfront capital. And assuming that it can complete its acquisition of the Ophir Creek as planned, Magellan should soon be in the position to fund its exploration at Center Star with current cash flow from Ophir Creek. We would view this as a very favorable outcome for the Company.

In-Depth Asset Analysis

In this section we will embark on a deep dive on the Company's premier asset, the Center Star Mine, and on the other projects in its growth pipeline.

The Center Star Mine (Idaho)

Status: Past-Producing Underground Mine (Re-Start)
Primary Commodity: Gold (High-Grade)
Location: Elk City / Golden, Idaho
Ownership: 100% Company Controlled

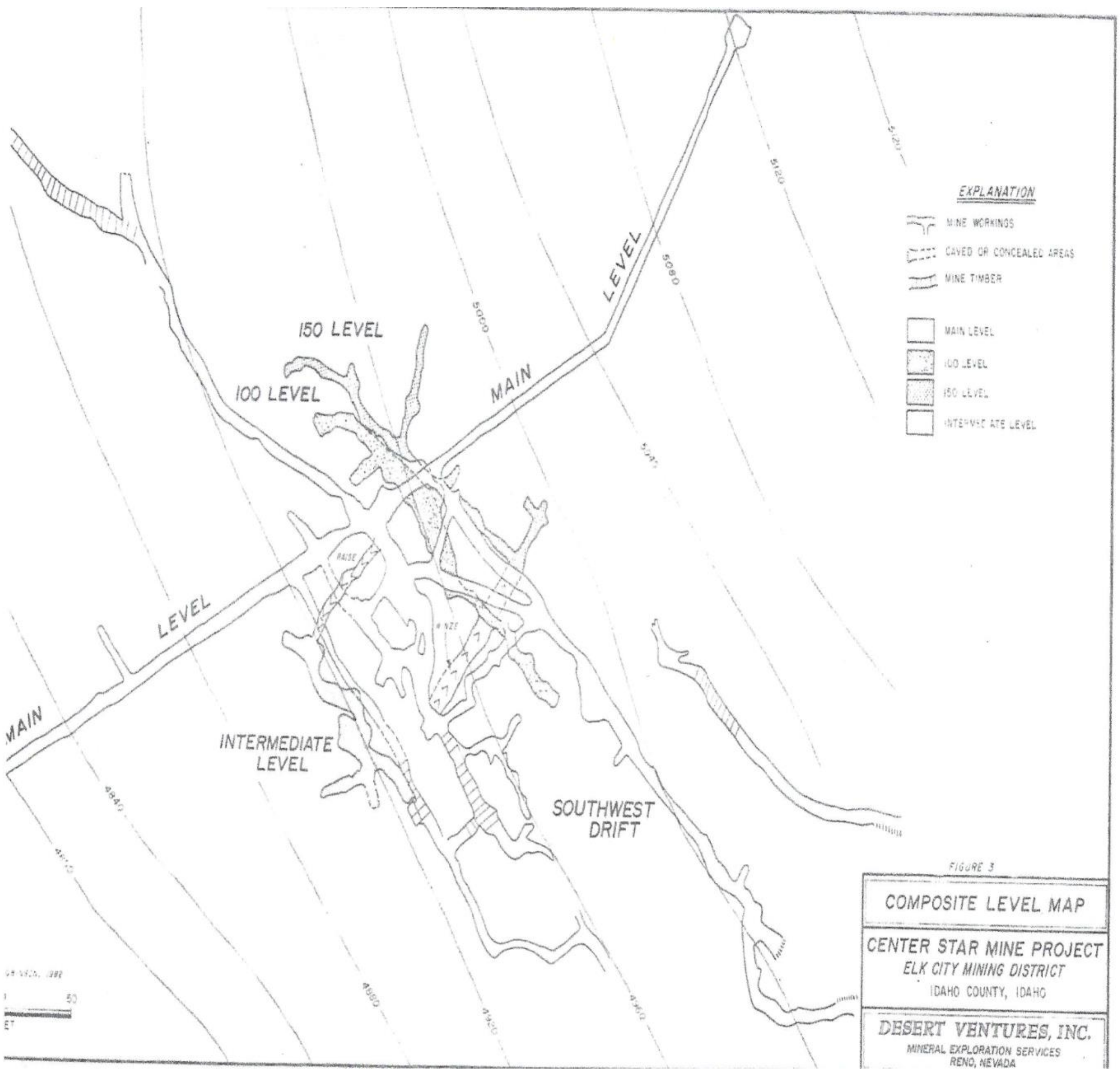
The Center Star Mine is Magellan's flagship asset and the primary focus of its near-term technical efforts. It serves as the perfect case study for the Company's "brownfield arbitrage" strategy: a high-grade mine that was abandoned not due to a lack of gold, but due to the external pressures of World War II.

History

To understand the value of Center Star, one must look at its timeline. The mine was first developed in the early 1900s and saw periodic exploration and production through the late 1930s. Operations were ramping up when, in 1942, the U.S. government enacted the War Powers Act. This legislation mandated the closure of non-essential gold mines to divert labor and equipment to the war effort.

Unlike a mine that closes because it has been "mined out," Center Star was shut down while it still had documented ore reserves. Since the closure in 1942, various operators have conducted exploration, most notably in the early 1980s. However, the asset has never been subjected to a sustained, modern production effort using today's mining technology and gold prices.

Underground Workings Map of the Center Star Mine



Infrastructure – The Invisible Asset

For a junior mining company, the cost of underground development is often the biggest barrier to production. Drifting (tunneling) through hard rock is time-consuming and capital-intensive. However, Magellan has a huge head start due to the mine's existing infrastructure: Center Star boasts approximately 4,000 feet of existing underground workings, including drifts, raises, and crosscuts. These tunnels remain accessible today.

Replicating the mine's existing infrastructure from scratch would cost millions of dollars and take years of permitting and development. For Magellan, this infrastructure represents a "sunk cost" paid for by previous generations, allowing the Company to direct its capital immediately toward drilling and resource definition rather than construction.

High Grade Geology

The Center Star deposit is hosted within a broad shear zone where multiple quartz veins exhibit "pinch-and-swell" geometry – a common feature in high-grade systems where the gold-bearing vein narrows and widens.

- A 1953 report identified approximately 70,000 tons of mineralized material at an average grade of 0.57 oz/ton. Earlier work by Day Mines blocked out an additional 57,000 tons grading 0.35 oz/ton.
- Perhaps the most exciting aspect of the project comes from work conducted in the early 1980s. Operators drove a new upper-level drift and encountered two previously unknown veins. In 1980, crosscuts into these veins returned reported assays of approximately **1.0 oz/ton** and **2.7 oz/ton** from two significant veins. Because these upper zones were never mined, they represent a high priority target for near-term evaluation and potential early production.

Development Plan, Center Star Mine

Magellan's strategy for Center Star is methodical and designed to minimize technical risk before major capital is deployed.

- **Phase 1: Verification (Current).** The Company is currently collating and digitizing all historical data, including the 1953 and 1980s reports, to build a modern 3D geological model of the mine.

- **Phase 2: Access & Sampling.** The primary goal of this initiative is to physically access the 1980s drift to verify the 1.0–2.7 oz/ton intercepts.

- **Phase 3: Drilling.** Following verification, an underground and/or surface drilling campaign will be launched to trace the veins at depth and along strike. Management notes that the system is open at depth, and historical data suggests mineralization continues well below the current workings. Management plans to assess other drill targets identified along the shear zone as well.

We view this as a high-potential property with the ability to surprise on the upside both in terms of current resource size and quality and in terms of new potential veins and mineralization that are as of yet unknown. Also, note that the mine is currently closed for the winter due to its base altitude of 6,200 feet, although management tells us that it will be relatively straightforward to improve the property's access for year-round work as this project moves forward with development.

Other Growth Pipeline Assets

Beyond the Center Star Mine, Magellan is actively pursuing near-term production at the Ophir Creek Mine in Alaska and has other "back-burner" projects that could also have a meaningful positive contribution to the Company in the future.

The Ophir Creek Mine

Status: Pending Acquisition with executed LOI with seller Village Gold, Inc.
Primary Commodity: Gold (Surface / Placer deposits)
Location: Alaska (State-Managed Land)

Upon completion of the acquisition the Company will acquire 100% of this project, which is comprised of nine Alaska State Mining Claims covering ~720 acres. Also, there are additional Bureau of Land Management federal lands which are scheduled to be conveyed to the State of Alaska, at which time those additional lands will become part of the Village Gold claims package.

The project is a fully permitted mining project by the State of Alaska Department of Natural Resources under permit APMA #3091. Mining activity on State of Alaska lands can commence in 2026 as soon as the area is seasonably accessible. Representatives from Magellan visited the site in July of 2025 and performed a systematic sampling program focused on previously mined areas on the property. There is also the potential of an intrusive related gold target in this region where the Company may pursue exploration for a hard rock deposit in the future.

Most junior mining companies burn cash for years before generating a dime of revenue. Magellan intends to break this cycle with its acquisition of this mine. If it is able to complete the acquisition of this project as planned and on schedule, then management believes that the cash flow this project will generate will significantly reduce the net operating costs of MAGE's operating business.

The property is a past producer that historically yielded 66,000 ounces of gold. Crucially, it comes equipped with substantial on-site machinery, established water access, and defined operating areas. The deposit is a surface/placer system, meaning no expensive underground tunneling is required. Gold is extracted by moving surface gravels and sediments. Company management estimates production costs could be in the range of $25–$28 per ton, and with spot gold currently at $5,178.62 per ounce[1] and recent sampling results of 1 g/ton to 3 g/ton, this could represent a windfall for the Company. And because the infrastructure is in place and the permitting environment is favorable (transitioning from federal BLM to State of Alaska jurisdiction), the Company believes operations could commence as early as this summer (2026).

[1] as of this writing, March 11, 16:00, 2026

Asset Analysis, Conclusion

In summary, Magellan's asset portfolio is constructed to offer investors multiple, distinct pathways to value creation while mitigating the binary risks typically associated with junior mining. By balancing the immediate cash flow potential of its Alaskan Ophir Creek mine acquisition with the high-grade resource expansion at Center Star the Company has effectively diversified its operational exposure. This "portfolio of restarts" allows Magellan to bypass the capital-intensive early phases of greenfield development, focusing resources instead on verifying and monetizing known mineralization. With defined milestones for each asset – production in Alaska and resource verification at Center Star, the Company possesses a robust pipeline of catalysts capable of driving a material re-rating in the near to medium term.

Team, Capital Structure, Risks, and Conclusion

Capital Structure

The Company's operating model is to leverage its status as a publicly traded company to create value by issuing shares and/or convertible debt rather than cash for working interests or outright property purchases. This has the benefit of greatly reducing the Company's cash burn during its exploration and development phases, but at the cost of modest shareholder dilution over time.

Traditional Convertible Debt

As of September 30, 2025, the Company had five convertible notes outstanding, as shown in the table below.

Note	Interest Rate	Principal Outstanding	Accrued Interest as of Sept 30	Total Convertible Outstanding	Conversion Price	Shares Currently Issuable
Series 2019A Unsecured Convertible Notes	10% (currently 12% in default)	$75,000	$51,213	$126,213	$1.00	126,213
2019 Unsecured Convertible Note (A/P settlement)	10%	$145,978	$87,547	$233,525	$1.00	233,525
2020A Convertible Note (Third-Party Portion)	8% (currently 12% in default)	$160,000	$76,756	$227,756	$0.50	455,512
2020A Convertible Note (Related-Party Portion)	8% (currently 12% in default)	$50,000	$21,589	$71,589	$0.50	143,178
3% Secured Clearwater Acquisition Convertible Note (Related Party)	3%	$125,000	$19,685	$144,685	$0.50	289,370
Totals		**$555,978**	**$247,790**	**$803,768**		**1,247,798**

Non-Traditional (Toxic) Convertible Debt

On February 20, 2021, the Company issued a toxic security to AJB Capital Investments, LLC. The terms of this $200,000 Secured Convertible Note were that it could be converted to common stock at any time based on 90% of MAGE's lowest traded price during the previous 20 trading days. On January 2, 2024, The Company issued Gold Express Mines (GEM) 250,000 shares of its common stock in return for assuming the obligation of the original toxic AJB Note; also, in this same transaction, the Company became obligated to GEM for the same terms that GEM had now obligated itself to AJB.

While certainly not the worst toxic security we have seen, it does potentially represent extreme dilution in the stock if MAGE where to trade at extremely low levels. However, given that the discount during the 20-trading day lookback period is only 10%, we do not expect this security to have a meaningful impact on the Company's shares outstanding at this time. Also, note that as of September 30, 2025, this note had a principal balance of $110,000 and accrued interest of $56,160, leading to a total due of $166,160.

The Team

A key differentiator for Magellan is that its Leadership Team is composed of seasoned operators, not just financial promoters. They possess the specific regional knowledge required to navigate the complex geology of the Western United States.

Michael "Mike" Lavigne, *Chief Executive Officer and Director*

Mike Lavigne brings a rare combination of technical grit and corporate sophistication to the role. His 35-year career spans the full spectrum of the mining industry.

- **The Operator:** Unlike many CEOs who have never left the boardroom, Lavigne began his career working deep underground – 8,600 feet below the surface – giving him a visceral understanding of the physical and logistical challenges of narrow-vein mining.
- **The Financier:** He later earned a law degree and founded his own brokerage firm, equipping him with the legal and capital markets expertise necessary to structure deals, negotiate partnerships, and navigate SEC compliance.
- **Value Add:** His deep roots in the Idaho mining community were instrumental in identifying the Center Star opportunity and negotiating the Ophir Creek LOI and future acquisition.

Gregory "Greg" Schifrin, *Chief Operating Officer, Director & Geologist*

Greg Schifrin serves as the Company's technical backbone. With over 40 years of experience in the mining industry working from exploration through development of mine projects he is a veteran of the Idaho and Alaska mining districts.

- **Regional Expert:** Schifrin has managed exploration programs and supervised underground development throughout the region. His specific prior experience working in the Center Star area going back 40 years provides Magellan with an "institutional memory" of this asset that competitors would lack.
- **Value Add:** He is responsible for translating historical data into actionable drill targets and mineralized zones, ensuring that exploration capital is deployed efficiently.
- Mr. Schifrin has served on the board of directors and been key executive management in many public junior mining companies in the USA, Canda, and Australia and has been instrumental in the Company's growth, project generation, financing and value added to enhance investment into the company and direct the projects undertaken.

Dr. Deepak Mahaltra, ***Former Director; current Metallurgical Advisor***

Dr. Malhotra is a world-renowned metallurgical engineer and a recipient of the AIME James Douglas Gold Medal.

- **Value Add:** His expertise is critical for the Center Star Project. He helps the Company design processing flowsheets to ensure that the gold can be recovered cost-effectively. His involvement adds a layer of technical credibility typically reserved for much larger companies.

Risks

Exploration and Geological Risk

The Company's projects contain historical estimates of mineralization that have not yet been verified by modern drilling. It is reasonably likely that actual grades, continuity, or tonnages may differ from past reports, and adverse results could materially reduce the value of individual projects. Because the Company's strategy relies heavily on validating historic high-grade zones, negative drilling outcomes would pose a meaningful setback.

Operational and Execution Risk

Magellan intends to reopen historic underground workings and improve partially developed surface operations. These activities involve practical risks such as ground rehabilitation, equipment readiness, and establishing safe access. While such issues are expected in any restart, they can increase costs or delay timelines if conditions prove more complex than anticipated. The severity of this risk is moderate but manageable with proper planning and technical oversight.

Permitting and Regulatory Risk

Several Magellan projects – particularly Center Star – are located on federal or mixed federal–state lands where exploration and development require regulatory approvals. Although Idaho and Alaska are generally mining-friendly, permitting delays are somewhat possible and could push back drilling, development, or production schedules. The severity of this risk is moderate, as denial of permits is unlikely, but extended timelines can affect valuation and financing.

Seasonal Access Limitations

The Company's Idaho and pending Alaska projects experience winter conditions that restrict on-site work for part of the year. This seasonal downtime is predictable but unavoidable in Alaska and somewhat expensive to rectify in Idaho; these issues may limit how quickly the Company can complete drilling, sampling, or early development. While not severe, this timing constraint can extend project milestones beyond initial expectations.

Financing and Capital Availability Risk

As a development-stage company without current operating cash flow, Magellan must raise external capital to fund drilling, rehabilitation, and potential acquisitions. Availability of financing is influenced by market conditions and exploration results. If capital markets weaken or drilling progress slows, funding could be delayed or more dilutive, which would hinder project advancement and potentially impact shareholder value.

Transaction Risk

At this point in time the Company has only announced a letter of intent to acquire the Ophir Creek mine, and the Company has not made public the terms of this acquisition if and when it should be completed. Since letters of intent are usually non-binding, we would encourage investors to consider the announcement of the acquisition to be a positive step, but certainly a long way from the value of a closed transaction.

Commodity Price Risk

Magellan's project economics depend primarily on gold prices. While long-term fundamentals are supportive, commodity prices can fluctuate materially over shorter periods. A sustained decline in gold prices, in particular, would reduce the profitability of high-grade targets and could delay decisions to initiate production. This risk is moderately likely over typical market cycles and can have a high impact if prices fall significantly.

Infrastructure and Logistics Risk

Some projects require road upgrades, drift rehabilitation, or the refurbishment of old equipment before meaningful work can begin. Expected costs may increase if existing infrastructure proves inadequate or if repair work is more extensive than anticipated. This risk is moderately likely and typically results in schedule delays or modest cost overruns rather than project failure.

Corporate Strategy and Portfolio Concentration Risk

Magellan's portfolio is focused on a small number of key assets. If one of these projects encounters a significant setback in permitting, geology, or financing, the Company's overall valuation could be disproportionately affected. This concentration risk is inherent to early-stage mining companies and is considered of moderate likelihood and impact.

Conclusion, Risks

The Company operates in a high risk, high reward industry. However, based on our experience we do not believe that the risks faced by the Company are unusual for its current state of development, and its focus on pre-existing mines actually reduces risk vis-à-vis greenfield development projects.

Conclusion

We are initiating coverage of Magellan Copper & Gold Corp. with a **Strong Speculative Buy rating and a 12-month price target range of $0.65 - $0.75 per share.**

The Company presents a unique investment opportunity by combining the asymmetric upside typical of greenfield exploration with the mitigated risk profile of "brownfield" redevelopment. While execution and financing risks remain, Magellan's strategic focus on revitalizing proven mineralized systems and its potential for near-term production offer a highly attractive risk/reward ratio. We recommend that all risk-tolerant investors seriously consider the value that MAGE shares represent at current levels.

Our Rating System

We rate enrolled companies based on the appreciation potential we believe their shares represent. The performance of those companies rated "Speculative Buy" or "Strong Speculative Buy" are often highly dependent on some future event, such as FDA drug approval or the development of a new key technology.

Explanation of Ratings Issued by Harbinger Research

STRONG BUY	We believe the enrolled company will appreciate more than 50% relative to the general market for U.S. equities during the next 12 to 24 months.
BUY	We believe the enrolled company will appreciate more than 30% relative to the general market for U.S. equities during the next 12 to 24 months.
STRONG SPECULATIVE BUY	We believe the enrolled company could appreciate more than 50% relative to the general market for U.S. equities during the next 12 to 24 months, if certain assumptions about the future prove to be correct.
SPECULATIVE BUY	We believe the enrolled company could appreciate more than 30% relative to the general market for U.S. equities during the next 12 to 24 months, if certain assumptions about the future prove to be correct.
NEUTRAL	We expect the enrolled company to trade between -10% and +10% relative to the general market for U.S. equities during the following 12 to 24 months.
SELL	We expect the enrolled company to underperform the general market for U.S. equities by more than 10% during the following 12 to 24 months.

Analyst Certification

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Analyst Highlight

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Mr. Connell has over 25 years' experience in the securities industry, as an equity analyst and portfolio manager, and as the Founder and CEO of StreetFusion (acquired by CCBN/StreetEvents), a software company serving the institutional investment community. On the sellside, Mr. Connell served as the technology analyst for Neovest, an Atlanta-based boutique, and as a Senior Analyst - Internet for Preferred Capital Markets, an investment bank based in San Francisco. Mr. Connell has also held the position of Executive Director of Marquis Capital Management, a technology-focused hedge fund.

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