



## Exploration Strategy

The size of Apex's exploration portfolio is often lost on observers who are impressed by the magnitude of San Cristobal, our flagship development project. But Apex is by no means a "one property company". Over the last four years, Apex's portfolio has risen from a base of 3 properties in Mexico and Central America to approximately 120 holdings worldwide. This makes it one of the largest, and most diversified, silver property portfolios ever assembled.

Apex's roots are in exploration. The Company has undertaken seven drill programs since its inception; three of which have led to the discovery or confirmation of silver deposits. Our proven and superior track record of identifying mineral deposits is a valuable asset we intend to maximize for our shareholders' benefit.

Apex will continue its active exploration program in 1998, with a view to drilling several new, large and very exciting targets in addition to its extensive exploration efforts at San Cristobal.

Wherever possible, the Company will seek to sell or joint venture properties that no longer fit our criteria. A good example of this is our recent transaction with Cyprus Amax Minerals Company on the Tatumbala property in Honduras. We spun the project off to Cyprus for up to \$1 million in property payments over the next five years. With such a sizable property portfolio, we will be working diligently to unlock the inherent value of our many holdings.

### Bolivia

Home to San Cristobal, and the hub of our South American activities, Bolivia hosts literally dozens of Apex's properties covering 1.3 million acres of exploration concessions and land holdings. Exploration efforts will focus on a number of bulk-tonnage projects, including several joint ventures undertaken in partnership with the state-owned mining firm, COMIBOL, as well as properties controlled by the Company.

### Global Property Portfolio

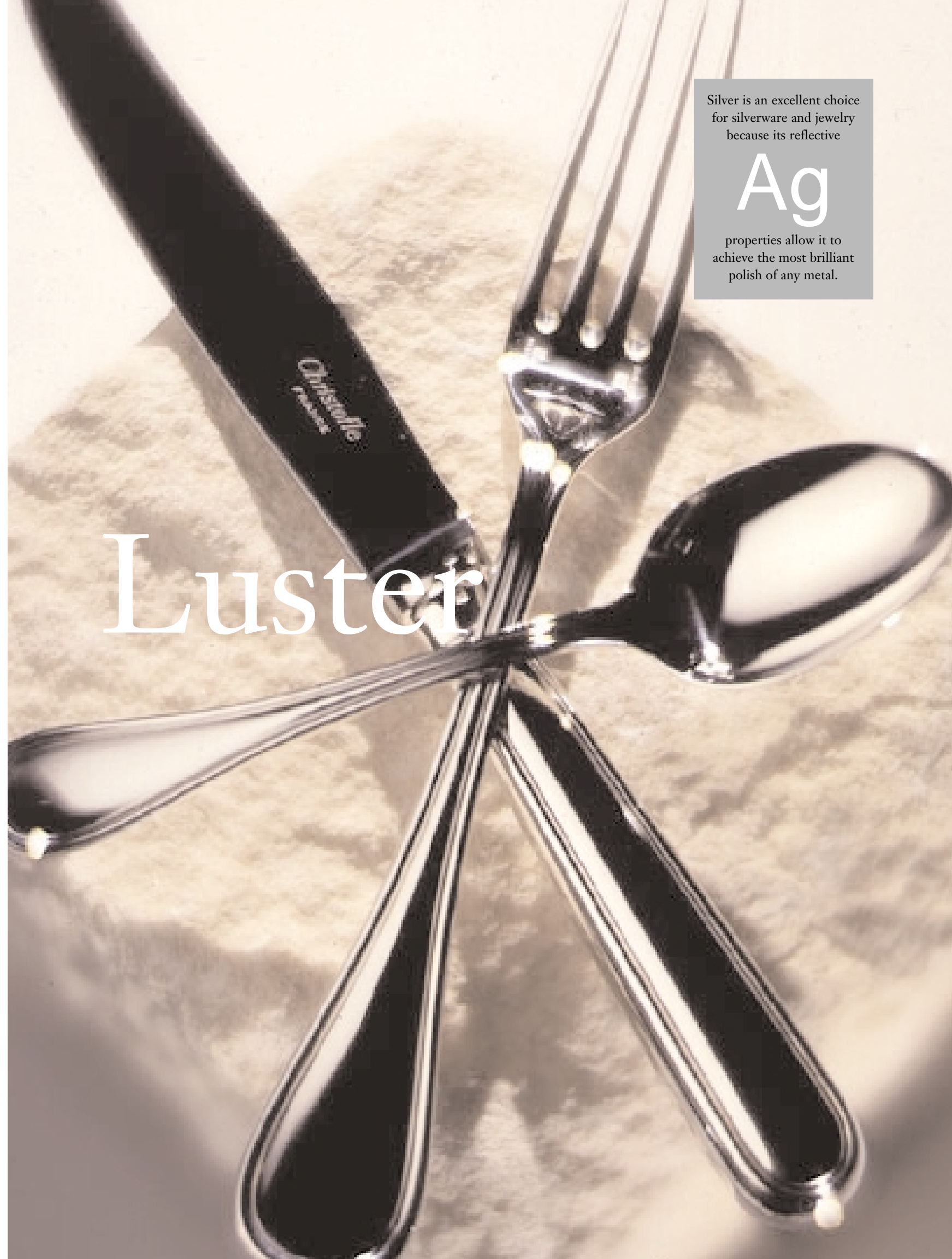


Silver is an excellent choice for silverware and jewelry because its reflective

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properties allow it to achieve the most brilliant polish of any metal.

# Luster





**Cobrizos**

Located just 12 kilometers north of San Cristobal, Cobrizos is an oxidized copper-silver stockwork composed of narrow veins cutting shale and sandstone (red bed deposit). Old workings indicate the area was mined for copper during both the pre-Columbian and the Colonial periods, along with more recent turn-of-the-century mining activity. Apex acquired the right to joint venture the project with COMIBOL through public tender in August 1996. Drilling done in late 1996 indicated 10.8 million tonnes of mineralized material averaging 4.3 ounces per tonne of silver and 0.22 percent copper; however, further drilling is needed to establish proven and probable reserves. Given Cobrizos' proximity to San Cristobal, its higher-grade silver mineralization could be used to sweeten San Cristobal mill feed.



*South America Exploration Projects*

**Peru**

Peru, the world's second largest silver producer, is an important center of exploration activity. Our office in Lima, under the direction of Felipe de Lucio, conducts an aggressive program that evaluates existing mines as well as exploring throughout the country. In addition to San Juan de Lucanas, one of our advanced exploration projects, the nation hosts a number of our most exciting prospects, including the 67,000 acre

Otuzco concessions, the 18,500 acre Aventura prospect, and the Huarangayoc concession area which was recently successfully tendered from the state-owned mining company, CENTROMIN.

**San Juan de Lucanas**

San Juan de Lucanas, located ten kilometers from a partly-paved, well maintained highway in southern Peru, operated as an underground silver-gold vein mine from 1966 through 1996, both as a private company and as a mining cooperative. Over the past 50 years, the mine produced approximately 3 million tonnes of ore from three major veins averaging 13.8 ounces of silver and 0.061 ounces of gold per tonne. Through both staking of new claims and acquisition of existing mining concessions, Apex has acquired more than 52,000 acres of property holdings in a 150 square mile area in the San Juan district. In June 1995, Pincock, Allen & Holt completed a conceptual study which confirmed the feasibility of rehabilitating the idled mine. Once Apex receives transfer of title for mining concessions held by the former mining cooperative, the Company plans to commence an intensive drill program to prove up additional reserves.

**Chile**

Having moved into Chile last year, the Company now holds over 50,000 acres in mineral concessions that our geologists are presently evaluating.

**Central Asia**

The emerging mining nations of Central Asia and Mongolia represent an unusual opportunity to capitalize on the rich resources of the former Soviet Union. The common feature of Apex's joint ventures and holdings in the various countries of Central Asia is that they represent the largest known silver occurrences in their respective countries. While Apex enjoys the benefits of having entered into several emerging mining

Silver is the best conductor of all metals; therefore, it is widely

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used in circuit paths, membrane switches and conductive adhesives.

# Conductivity



### Commitment to the Environment

Consistent with our corporate philosophy of “cutting no corners”, Apex endeavors to comply with all applicable foreign laws and regulations relating to environmental quality. The Company is committed to developing and operating its mines in accordance with the international environmental standards required by its host countries as well as project finance lenders.



Central Asia Exploration Projects

countries early, we recognize the limitations of Soviet-era reserve calculations, along with need to apply realistic economic analysis to our extremely large resources. We view our interests in these projects as prospective, but very long-term in nature.

#### Mexico

The site of the Company’s first foreign acquisitions, Mexico holds several of the Company’s most prospective targets. Apex’s Zacatecas office, under the direction of Jon Gelvin, manages projects in both Zacatecas, the most prolific silver-producing region of the world’s largest silver-producing country, and other states. It is anticipated that work will begin on a bulk-tonnage drill target in Mexico this year.

#### Honduras

Apex holds or controls five properties within the El Coloal district, including the El Ocote breccia pipe, the largest known primary silver deposit in the country. In addition, the Company holds several attractive exploration targets in other parts of the country.

#### El Ocote

El Ocote, located just one kilometer off the Pan-American Highway in southwestern Honduras, is a silver-copper breccia deposit that Apex optioned from Minera Ocote in June 1994. A drilling and underground sampling campaign undertaken by the Company’s geologists at El Ocote identified 2.1 million tonnes of mineralized material grading 9.9 ounces of silver per tonne. Kvaerner Metals (Davy) completed a conceptual study on the property in July 1997. An extensive metallurgical sampling and testing program is planned to further evaluate the property.



Mexico and Central America Exploration Projects

In January 1998, Apex announced an association with Intrepid Minerals Corporation to explore additional ground contiguous to El Ocote. By creating the association, Apex achieved its objective of integrating approximately 71,000 acres of mineral holdings in the El Coloal district into a single project. Intrepid’s property is considered most prospective, with preliminary surface samples grading up to 66 ounces per tonne silver, 19 percent zinc and 10 percent lead. An aggressive mapping and sampling program is planned to further define the extent of surface mineralization, with a drilling program expected to follow.