



The World of Apex Silver Mines

Apex's silver interests span the globe. Its portfolio of approximately 120 property holdings covers more than 2 million acres in 8 countries located in the traditional silver-producing regions of Central and South America, as well as the emerging silver districts of Central Asia.

Flagship Development Project San Cristobal, Bolivia

San Cristobal, counted as only one of Apex's property holdings, is a "company maker" in its own right. Possessing favorable geology, excellent topography, access to infrastructure, and location in one of the world's great mining countries, the project has all the attributes one looks for in a world-class mining operation.

San Cristobal is located within the Department of Potosi in Bolivia, home to the Cerro Rico de Potosi, the most famous silver discovery in history. From a geographic standpoint, San Cristobal can be said to be in "elephant country". Located approximately 500 kilometers south of the capital city of La Paz, near the Chilean and Argentinean borders, it is surrounded by world-class mining operations including Escondida (Rio Tinto/BHP), Kori Kollo (Battle Mountain), Chuquicamata (Codelco), Collahuasi (Falconbridge/Minorco), and El Abra (Cyprus Amax/Codelco).

Access to infrastructure and world markets is straightforward. Mine plans call for the construction of a 53-kilometer road or rail spur to connect our site to main transportation corridors heading southwest to the Chilean ports, including Antofagasta and other harbors that service the burgeoning mining industry.

The San Cristobal Project is located in a four-kilometer diameter volcanic depression that resulted from the collapse of an extinct volcanic peak, which subsequently filled with volcanoclastic sedimentary rock. A series of dacite and andesitic porphyry sills and domes intruded into the volcanoclastics, with disseminated and stockwork silver-zinc-lead mineralization forming in both the sediments and intrusives.

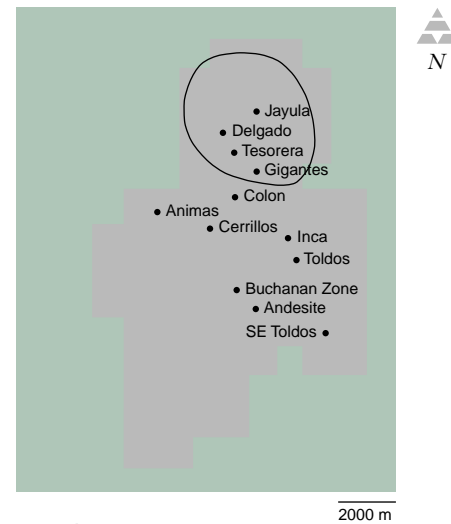
From the outset of its exploration efforts in the San Cristobal district, Apex received direction and support from its partners in Bolivia, the

When silver is electroplated onto steel bearings, it adds strength

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and load carrying capacity in high-tech and heavy-duty applications.

Strength



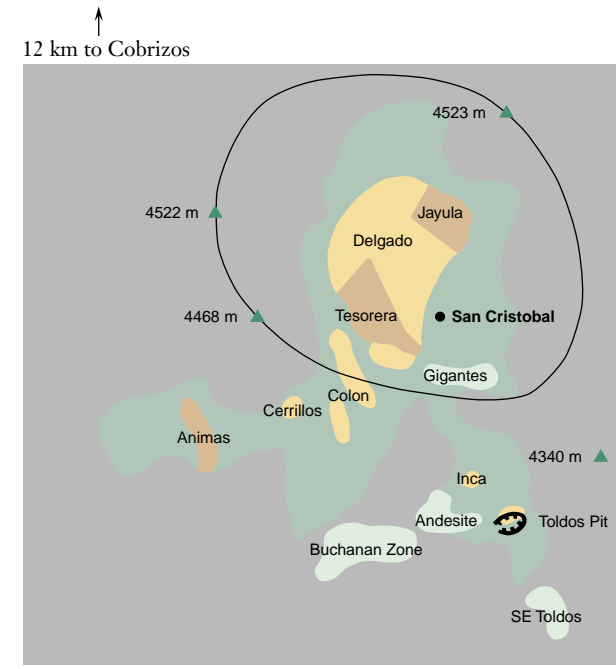
Land Position

- Crater Rim
- Apex Land Holdings

mining consulting firm Mintec, which Apex subsequently acquired in early 1998. The Company's Chief Geologist, Dr. Larry Buchanan, discovered the deposit in January 1995. Drilling on two targets commenced the following year, once the Company secured control over the entire district. Indeed, Apex has 100% ownership of the over 5,000 acres that encompass the entire volcanic crater, as well as mineralized deposits identified south of the crater.

Based on 1997's drilling of 47,000 meters at Tesorera and Jayula, just two of more than a dozen mineralized deposits at San Cristobal, proven and probable reserves total 219 million ounces of contained silver, in addition to 1.8 million tonnes of zinc and 0.6 million tonnes of lead. Drilling currently underway for San Cristobal's bankable feasibility study, which the Company anticipates completing by early 1999, is expected to increase project reserves. In addition to stated proven and probable reserves, San Cristobal also has an inventory of mineralized material containing 114 million ounces of silver, 475,000 tonnes of zinc and 146,000 tonnes of lead.

With a low stripping ratio (1:66 tons waste: 1 tonne of ore) and large reserves, San Cristobal is ideal for large-scale open-pit mining and conventional concentrate production. Slated to begin production in 2001, current mine plans produced during the first-phase feasibility study undertaken by lead engineers Kvaerner Metals (Davy) anticipate a throughput of 30,000 tonnes per day. As reserves increase, Apex's project development team, led by Mac DeGuire, and its independent engineers will assess the desirability of incorporating a higher throughput rate in either the first or second phase of project development.



Multiple Mineralized Zones

- Crater Rim
- Altered Areas
- Mineralized (Intense Drilling)
- Mineralized (Some Drilling)
- Mineralized (Not Yet Drilled)

Silver facilitates the joining of metals for aerospace applications where

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enduring leak-tight and corrosion-resistant joints are required.

Endurance

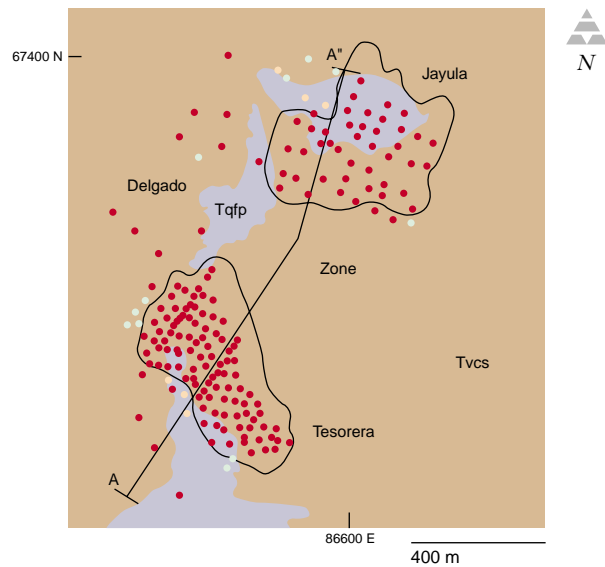




Using only existing proven and probable reserves, which at 30,000 tonnes per day results in an 11.5 year mine life, the project is expected to produce an average of 14 million ounces of silver,

132,700 tonnes of zinc and 39,500 tonnes of lead per year. Annual production could increase if higher-grade ore from satellite deposits is used to sweeten the mill feed. Metallurgical test results used to develop the current mine plan indicated overall recoveries of 75% for silver, 78% for zinc and 73% for lead; however, more recent studies indicate improved results. Once confirmed by ongoing tests, improved metallurgical recoveries will be incorporated into the bankable feasibility study. Water is readily available from the nearby Rio Grande River Valley, and will be pumped from wells ten kilometers from the project.

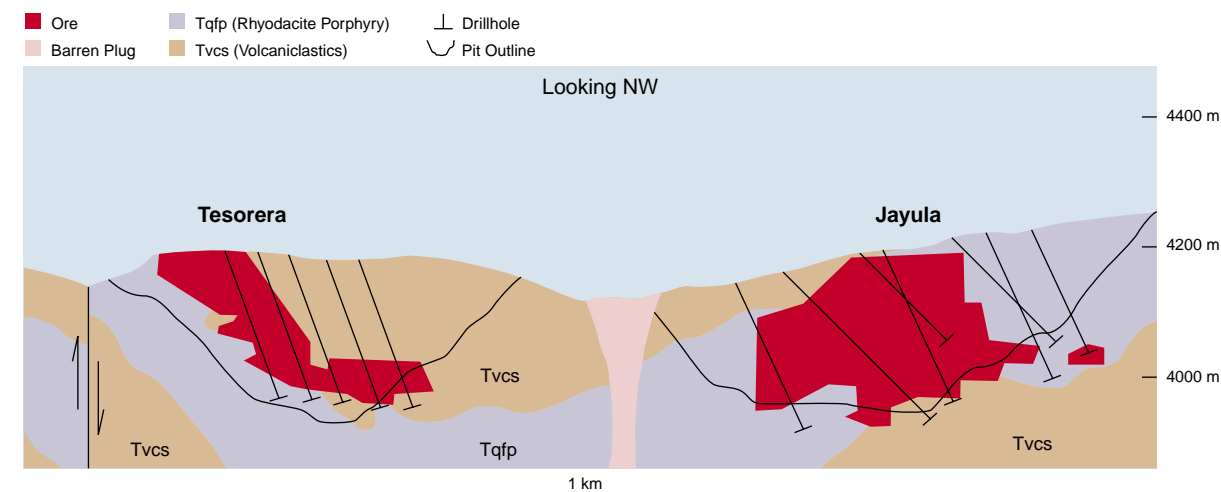
Capital costs for the project are estimated to be \$327 million assuming mining will be conducted by a large-scale contractor. Operating costs are forecast to be \$2.66 per equivalent ounce of silver, yielding a better than 2:1 cash margin at current silver prices. Shortly after completing the bankable feasibility study in early 1999, Apex expects to secure committed project financing for San Cristobal with the objective of beginning construction shortly thereafter. The Company has retained Rothschild Natural Resources LLC as financial advisor and Barclays Bank PLC as arranger for the project finance.



1997 Drilling at San Cristobal

- Ore Drill Hole
- Mineral Drill Hole
- Barren Drill Hole
- Tqfp (Rhyodacite Porphyry)
- Tvcs (Volcaniclastics)
- Surface Projection of Ore + Mineralized Material (MRA)

Cross Section of Primary Deposits



It is silver halide crystals' sensitivity to light that

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records an image on photographic film.

Sensitivity to Light