

# Report of Management

Management is responsible for the preparation of the accompanying financial statements and for other financial and operating information appearing in the annual report. It believes that its accounting systems and internal accounting controls, together with other controls, provide assurance that all accounts and records are maintained by qualified personnel in requisite detail, and accurately and fairly reflect transactions of Apex Silver Mines Limited and its subsidiaries in accordance with established policies and procedures.

The Board of Directors has an Audit Committee, all of whose members are neither officers nor employees of the Company or its affiliates. The Audit Committee recommends independent public accountants to act as auditors for the Company for consideration by the Board of Directors; reviews the

Company's financial statements; confers with the independent accountants with respect to the scope and results of their audit of the Company's financial statements and their reports thereon; reviews the Company's accounting policies, tax matters and internal controls; and oversees compliance by the Company with the requirements of federal regulatory agencies. Access to the Audit Committee is given to the Company's financial and accounting officers and independent accountants.



Thomas S. Kaplan  
Chairman  
Apex Silver Mines Limited



Mark A. Lettes  
Vice President and  
Chief Financial Officer  
Apex Silver Mines  
Corporation

# Report of Independent Accountants

## To the Board of Directors and Shareholders of Apex Silver Mines Limited

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of changes in shareholders' equity and of cash flows present fairly, in all material respects, the financial position of Apex Silver Mines Limited (successor to Apex Silver Mines LDC) and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 and the period from December 22, 1994 (inception) through December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance

with auditing standards generally accepted in the United States of America which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.



PricewaterhouseCoopers LLP

Denver, Colorado  
February 16, 2001