

WESTERN COPPER

SIGNIFICANT EXPANSION AT PEÑASQUITO SILVER PROJECT

Peñasquito is shaping-up to be a major silver project. The separate discoveries of shallow, oxide gold-silver mineralization and a deep sulfide zone could facilitate establishing early production – high gold values are also beneficial in view of the newly established bull market in gold. We anticipate that assays from the final seven holes drilled last year and the geologic resource estimate to be completed based on these results will be positive. We will update our scoping economics based on this information when it is available.

Developments at Peñasquito

Since we published our initial Information Memorandum on Western Copper Holdings Limited on July 3, 2002 the company has significantly expanded the scope of its key, 100%-owned Peñasquito silver project in Mexico.

- During 2002, Western drilled over 20,000 meters in 49 core holes, mainly in the Chile Colorado zone. The latest round has:
 - identified two new zones of mineralization to the east and northeast of the original target area and confirmed shallow gold-silver oxide mineralization to the north of Chile Colorado.
 - substantially increased the understanding of the mineralization.
 - expanded the potential of the project.
- A year ago the company expected to define the boundary of Chile Colorado and in-fill drill that zone. However, step out drill holes hundreds of meters from the original target have encountered some of the richest mineralization found so far.
- The company believes that the Azul breccia was emplaced post-mineralization. Mineralization to the north and east of Azul is thought to be a continuation of the Chile Colorado zone to the south and the Azul breccia appears to be surrounded by and partially host a halo of high grade mineralization.
- The primary mineralization is now seen as sheeted sulfides, veins and breccia dike stockwork within three major fracture zones that strike north-south, east-west and northwest, and dip steeply to the north and east. Each of the fracture zones is oxidized near surface with potential gold-silver mineralization.
- Two recent discoveries could significantly accelerate a production decision and enhance the economics:
 - Hole WC-52 to the east of Chile Colorado ended in over 16 meters of high grade mineralization – the contained metal value of US\$175 per tonne indicates the potential for early underground development.
 - Until recently, the company had not focused on the near-surface potential. However, it is important to understand that Chile Colorado was discovered through a 250-hole shallow drill program that identified numerous anomalous zones in the top of the bedrock, under the alluvial overburden.
 - Holes WC-43 and WC-45 intersected gold-rich oxide mineralization within 20 meters of surface could locate an economically attractive starter pit.
- The last seven holes are being assayed – SNC-Lavalin will complete its geologic resource calculation once it has those results and we will update the scoping economics set out in July.
- The average value of contained metals in more than 9,000 meters of mineralized core intercepts to date is \$26.5 per tonne, 22% greater than the contained metal value in our initial economic scoping model.

Exchange	Toronto	Shares out. (6.30.02 pro forma)	(millions)	30,417
Symbol	WTC	Float	(%)	76%
Price (13.01.03)	(C\$) 4.22	Options & warrants	(millions)	8,464
52 week: high (7.23.02)	(C\$) 4.74	Average exercise price	(C\$)	1.66
low (1.21.02)	(C\$) 0.58	Cash (6.30.02 pro forma)	(US\$ mm)	3.75
Average daily trading volume	90,300	Cash on option/warrant exercise	(US\$ mm)	8.96



Charts courtesy BigCharts.com

Previous reports can be downloaded at:

July 3, 2002 report: www.proteuscapital.com/Reports/Western_Copper/Proteus_WTC_InfoMemo_July02.pdf

October 7, 2002 update: www.proteuscapital.com/Reports/Western_Copper/Proteus_WTC_Update_Oct02.pdf

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