

APPENDIX

Western Silver Corporation



MAY 2003

Please Read Important Notice on Page ii of the Information Memorandum Before Reading This

CORPORATE REVIEW

HISTORY

Western Silver Corporation was incorporated in 1984 as Western Copper Holdings Ltd. Its initial focus was Canadian exploration, including the Carmacks copper property in the historic Whitehorse mining district of the Yukon Territory, Canada.

In the early 1990s, the Company joined many other North American mining companies refocusing their activities on Mexico. In 1994, Western acquired an option over El Salvador in the State of Zacatecas and, in 1996, completed the acquisition and formed a joint venture with Teck covering both El Salvador and Teck's large, adjacent land position.

In 1998, Western entered into a Mexican exploration and development alliance with Kennecott, a subsidiary Rio Tinto plc, the UK-based mining giant. Under the initial terms, Western would have conducted exploration while Kennecott had back-in rights for development and operation. However, with the decline in metal prices in the late 1990s, the partnership never had a chance to blossom and was terminated in mid-1999. Through this relationship, Western acquired a 100% interest in the large Peñasquito property.

In mid-2000, Western entered into an exploration and development joint venture with Minera Hochschild S.A. Hochschild's forte is mining high-grade, underground deposits – the large-scale, bulk-tonnage opportunities that Western is focusing on did not fit and that agreement was terminated in mid-2001.

Since that time, Western has focused on exploration of Peñasquito.

MANAGEMENT

It has often been said that great mines are built, not found. Certainly, mining history is littered with great ore-bodies that were mismanaged and failed to become great mines – and there are a few examples of great mines being built around not-so-good ore bodies. As with any industry, management is key to the ultimate success.

F. Dale Corman, Chairman and CEO

Mr. Corman has over 35 years experience in mining finance and corporate development. He joined Western in his current capacity in 1995. Previously, he served as President and COO of several companies including Consolidated Durham Mines, NBU Mines, and Noble Minerals and Oils. He started his career as a field geologist with the Geologic Survey of Canada in British Columbia.

Thomas C. Patton, President and Chief Operating Officer

Mr. Patton joined Western as President and COO in 1998. He has over 30 years experience in mine exploration and development. Before joining Western, Mr. Patton held senior positions with the Rio Tinto group, including running the South American exploration efforts of Rio Tinto and previously, North American exploration for Kennecott. He was responsible for Kennecott's activities in Mexico, including the early stage exploration of Peñasquito.

WESTERN SILVER PROPERTIES

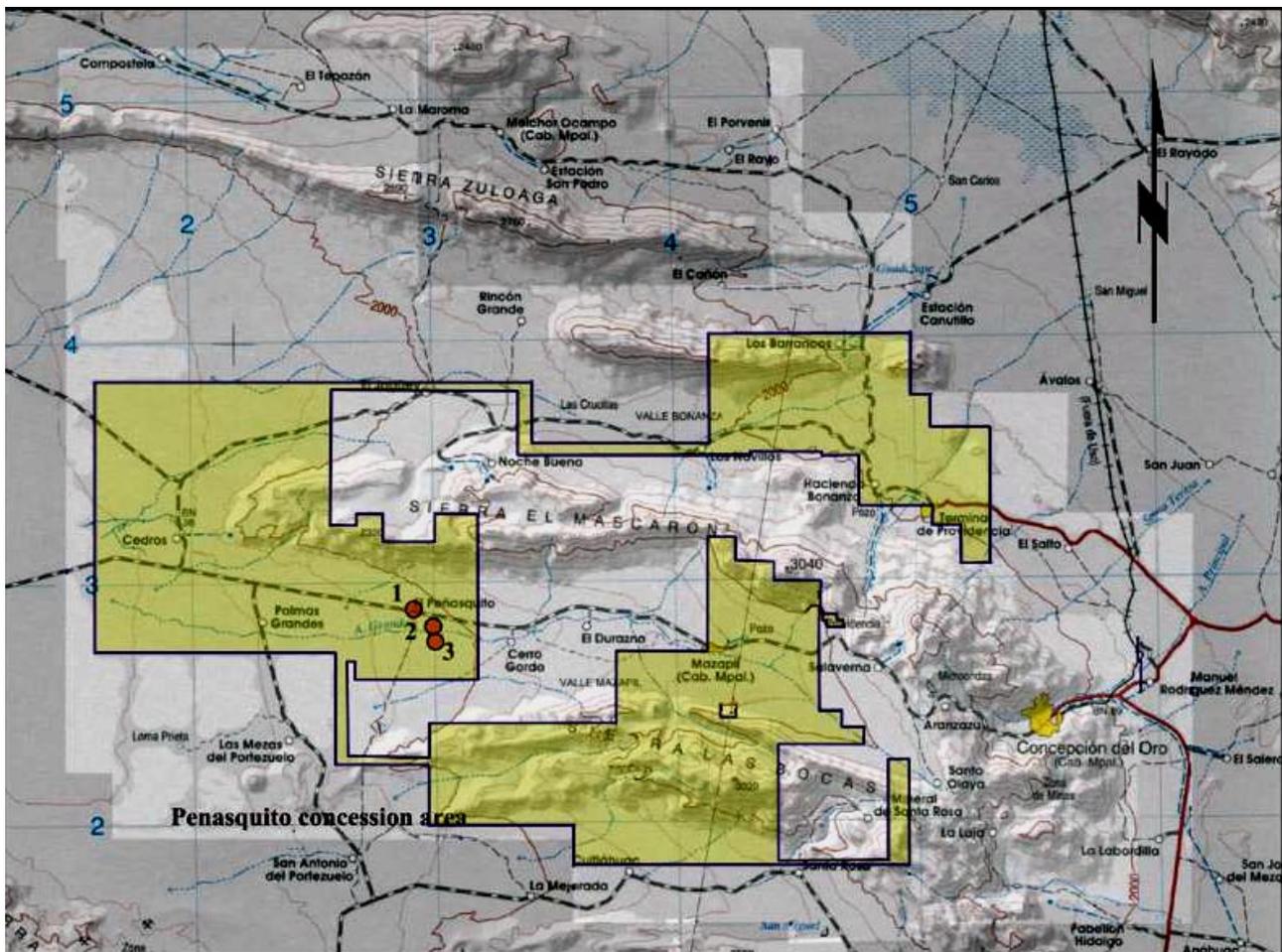
PEÑASQUITO

The Peñasquito property comprises approximately 147-square miles in the Concepción del Oro district of Zacatecas State in central Mexico. Zacatecas has a long history of mining, dating back at least to early Spanish settlers in the fifteenth century, consisting mainly of high grade silver mantos, chimneys, and veins typical of sandstone formations.

There are three major sections to Peñasquito, linked together to form a contiguous unit – see map below. The western block, where work has focused, is located in the broad Mazapil Valley with moderately rounded mountains rising from the valley floor at approximately 6,200 feet to peaks at about 10,000 feet. Bedrock in the valley is covered by up to about 120 feet of alluvium. The area is arid with typical, high desert vegetation comprising cacti and palm trees.

The western block has been the focus of exploration activity, centered on the Outcrop and Azul Breccias and the Chile Colorado zone immediately south of Azul – marked in red as “1” through “3” respectively on the map below.

Peñasquito Project Area



**Land Status map for the Peñasquito Project
Mupio. de Mazapil, Zacatecas, Mexico**

Infrastructure

The Outcrop Breccia, which resembles a hat – after which the property was named – outcrops adjacent to a road that runs from the town of Concepción del Oro, about 20 miles to the east, to Nieves, about 100 miles to the southwest. The Company understands that this road is likely to be upgraded and paved all the way from Nieves to Concepción.

Concepción is on Highway 54, which runs from Guadalajara near the Pacific coast, to Monterrey in the northeast, passing through the state capital of Zacatecas, approximately 150 miles to the southwest, and Saltillo, which is about 75 miles to the northeast. There is also a railroad from Concepción to Saltillo that connects with Monterrey to the northeast and Torreón to the west.

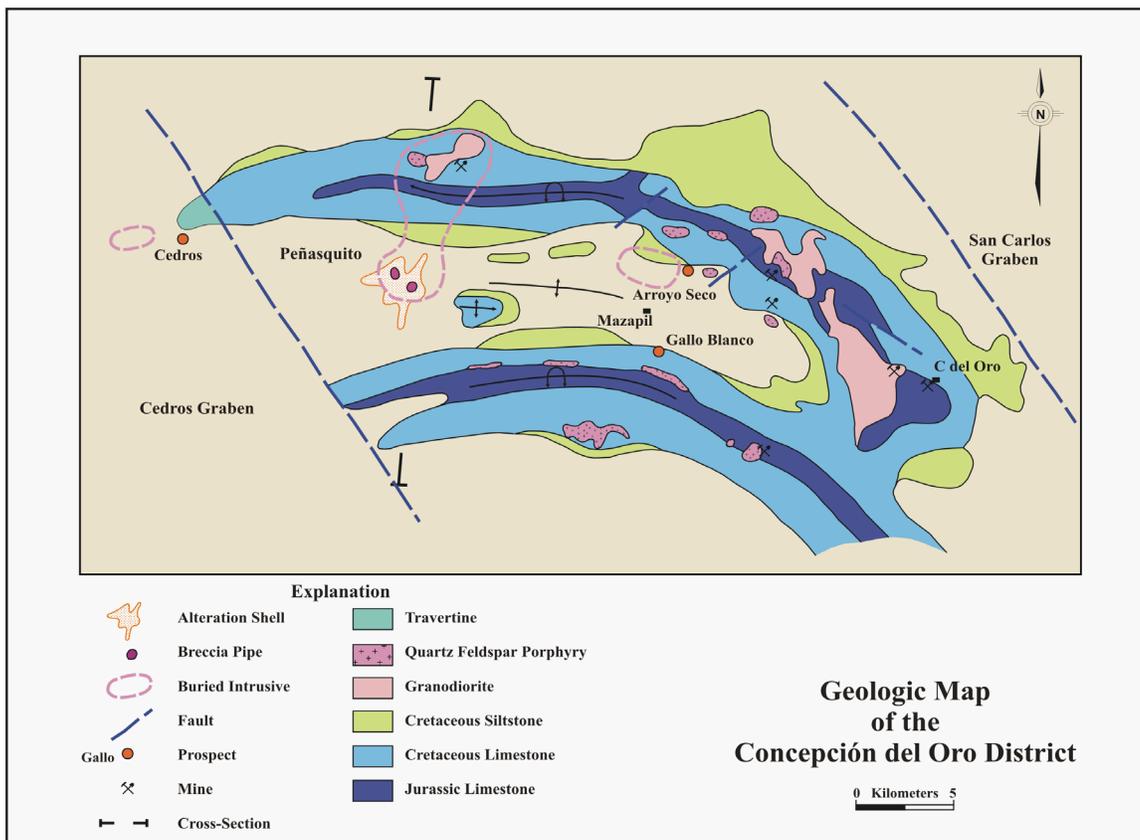
Nieves is on Highway 49 that connects Torreón, Fresnillo and Zacatecas, continuing to the east to San Luis Potosi, where Highway 70 connects to the Gulf of Mexico port city of Tampico.

The main Mexican power grid supplies electrical power to Mazapil, approximately eight miles east of the Outcrop Breccia.

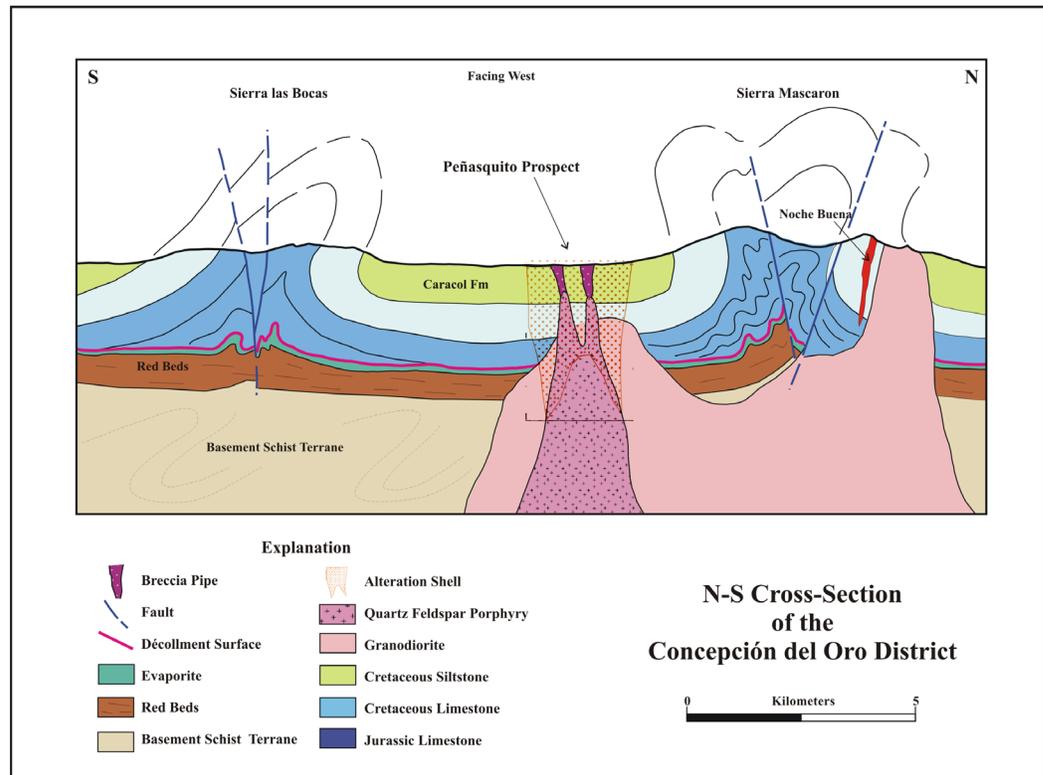
Regional and Local Geology

Concepción del Oro lies within the Mexico Geosyncline, a thick series of marine sediments deposited during the Jurassic and Cretaceous periods (213 million to 65 million years ago) comprising a 6,000-foot sequence of carbonaceous and calcareous turbidic siltstones and interbedded sandstones underlain by a 4,000-foot thick limestone sequence.

Geology of Concepción del Oro District



The project area is on the axis of an east-west trending syncline, dominated by Upper Cretaceous Caracol Formation, comprising interbedded shales and sandstones that overlie the Indidura Formation, itself a series of shales, calcareous siltstones, and argillaceous limestones. The area is believed to be underlain by a large granodiorite stock and the sedimentary sequence is cut by numerous intermediate to felsic intrusive dykes, sills and stocks.



History

The Outcrop Breccia, a quartz feldspar breccia with fragments of Caracol sediments and quartz feldspar porphyry, has been the subject of exploration and small-scale mining since the 1950s. In the early 1990s, when the Mexican mining industry opened-up for foreign ownership, Kennecott started exploring in the belief that the Outcrop Breccia might be the upper expression of a large-scale porphyry copper deposit hidden beneath the alluvium.

Kennecott completed numerous geophysical surveys between 1994 and 1997 that identified a large north-south trending magnetic high, centered on the Outcrop, and extending over an area about five miles long and two-and-a-half miles wide. The surveys suggest the presence of deep-seated granodiorites and identify numerous anomalies scattered across the area.

Kennecott drilled two deep holes that intersected calcareous shales and thinly bedded limestones, as part of a 71-hole program that led to several discoveries that are completely obscured by valley fill, including: the Azul Breccia, south of the Outcrop; the Chile Colorado silver-zinc-gold-lead zone on the southwestern flank of Azul breccia; and a copper anomaly between the two breccias. It also completed a 250-hole shallow drill program to sample the top of the bedrock.

Mineralization is in veinlets, stockworks, chimneys and mantos. The complexity and variety of intrusions, ranging from dacite porphyry to quartz monzonite, indicate multiple phases of intrusive activity – and consequently multiple opportunities for mineralizing events.

Kennecott interpreted silver intercepts and the copper anomaly as being the top of a large porphyry copper system. However, it was not interested in the silver and believed that the copper, if present, was too deep to be economic on a standalone basis. This gave Western Silver the opportunity to acquire the property, initially as part of a strategic exploration alliance that never blossomed and has since been terminated.

Western Silver was interested in the silver potential and has focused almost exclusively on the silver mineralization identified by Kennecott. After the relationship with Kennecott was terminated, Western entered briefly into an exploration joint venture with Minera Hochschild S.A.

That company's expertise is in small, underground vein mining and its interest may have been driven by the high grade vein mines that typify the Concepción del Oro district. However, as its work began to confirm a large, disseminated silver deposit, it dropped out of the joint venture – Western has retained a 100% ownership since that time and no longer has any interest in partnering the property before completion of an engineering feasibility study.

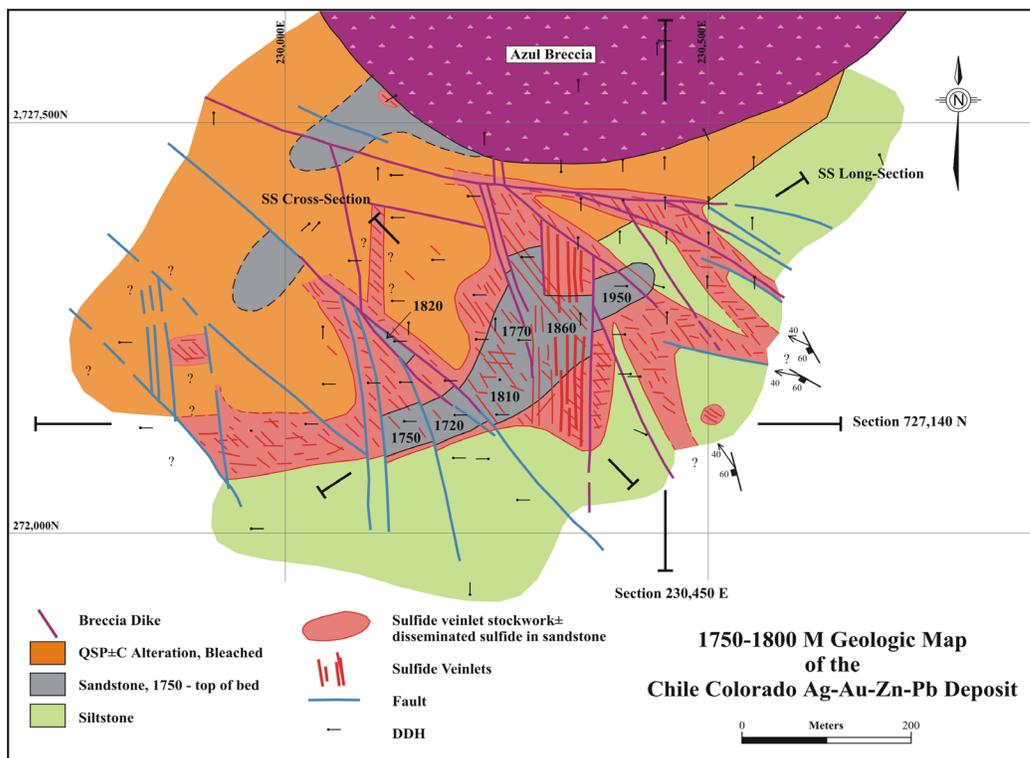
Typical View of Peñasquito
(two core rigs operating)



The picture gives a good indication of the terrain – a broad, high desert valley with low scrub.

Chile Colorado

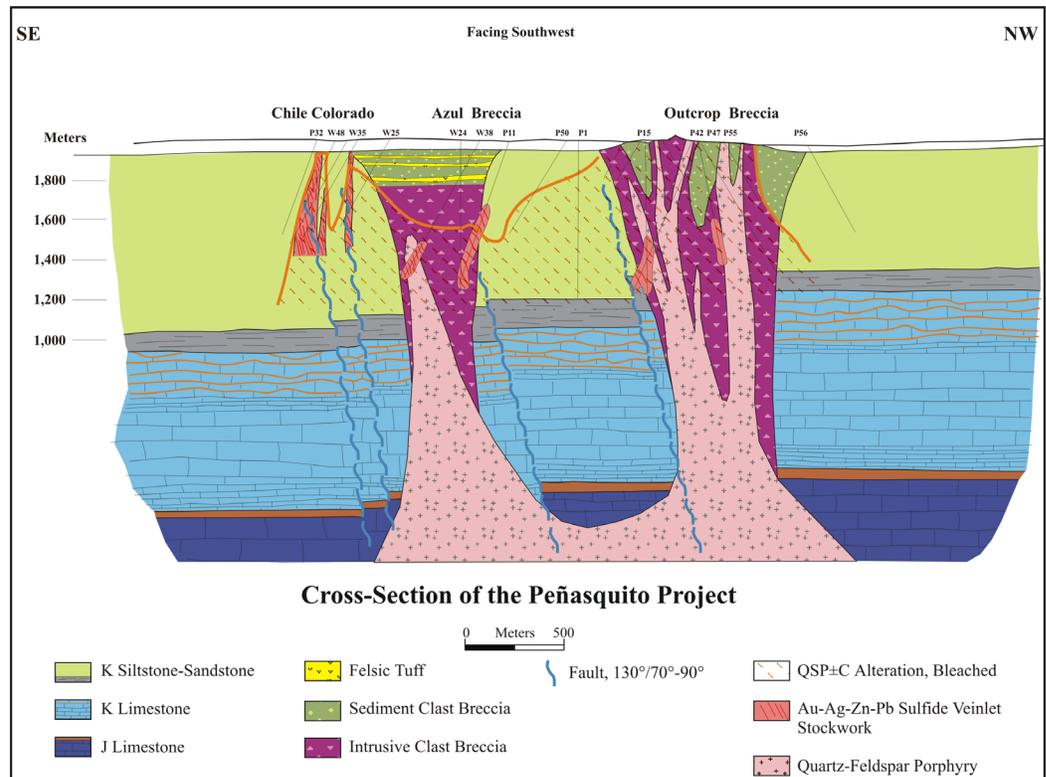
The Chile Colorado zone forms the basis of the indicated and inferred resources. It is located on the southern flank of the Azul Breccia. The area is in a flat-bottomed syncline between two anticlines that form ridges to the north and south, dipping gently to the west.



There are three sets of fracture faults: southeast striking, dipping steeply to the north east; north striking, dipping steeply to the east; and east-west striking steeply dipping to the north. The dominant set strike southeast with left-lateral displacement. Secondary sets of faults, also striking southeast, have a flat dip to the southwest with right-lateral displacement. The faults are believed to be pre-mineralization, providing conduits for the mineralizing fluids, as well as post-mineralization that have slightly offset Chile Colorado along the dominant, southeast striking faults.

There are stockwork veins and breccia dykes that strike in the same directions as the dominant faults and are believed to form a stair-step pattern from northeast to southwest. The Outcrop and Azul breccias formed along the dominant southeast striking faults.

Chile Colorado includes varying levels of quartz-sericite, quartz-sericite-pyrite, and quartz-sericite-pyrite-carbonate alteration that appear to be strongly controlled by structure and lithology. Generally, the intensity of alteration appears to be related to the porosity of the host rock – sandstones tend to be more altered than the finer siltstones. The alteration is believed to be phyllic, grading into a retro-skarn assemblage at depth approaching the buried intrusives.



There is a late clay-carbonate alteration overprint and late-stage propylitic alteration adjacent to the intermediate dykes.

Rocks in Chile Colorado exhibit some hornfelsing resulting in increased hardness of the host rocks. Oxidation extends to more than 250 feet from surface.

Mineralization occurs as both veining and stockworks – the highest grades correspond to the areas of most intense veining and fracture filling. It is believed that the mineralization forms elongate ore bodies radiating from fracture fill and veining mineralization where sandstone beds are cut by the veins and fractures.

Local mineralogy is dominated by sphalerite, pyrite and galena with minor argentite, tetrahedrite, and chalcopyrite. Fluorite is common with sphalerite and galena, that tend to occur with calcite and pyrite as massive veins up to about one-foot thick, and as fine fracture filling and fine, disseminated grains within the sandstones.

Exploration Drilling

Kennecott drilled 71 holes totaling more than 76,000 feet of reverse circulation and diamond drill holes. The first holes were vertical, after which Kennecott drilled angle holes to the north and south. The holes were spread through the Outcrop, Azul and Chile Colorado zones, as well as outside this immediate project area.

Hochschild drilled 14 diamond drill holes in the Chile Colorado zone. Until the past few months, Western's drilling has primarily been at Chile Colorado.

Resource Calculation

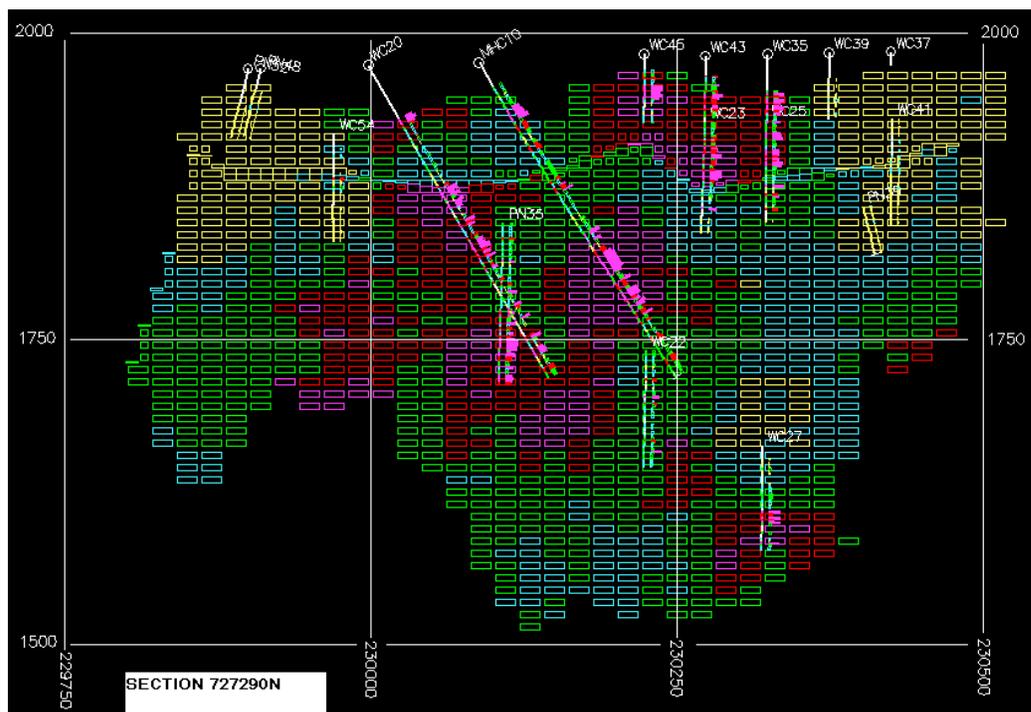
Only the Chile Colorado zone has sufficient drill density to permit a resource calculation. Even within Chile Colorado, drilling in the western section is sparse and the zone remains open to the east, west and at depth. The eastern section of Chile Colorado has been drilled on 165-foot centers, but many of these holes ended in ore-grade mineralization.

SNC used a standard Datamine software package that estimates grades of resource blocks interpolated from nearby drill intercepts using both ordinary kriging and multiple indicator kriging.

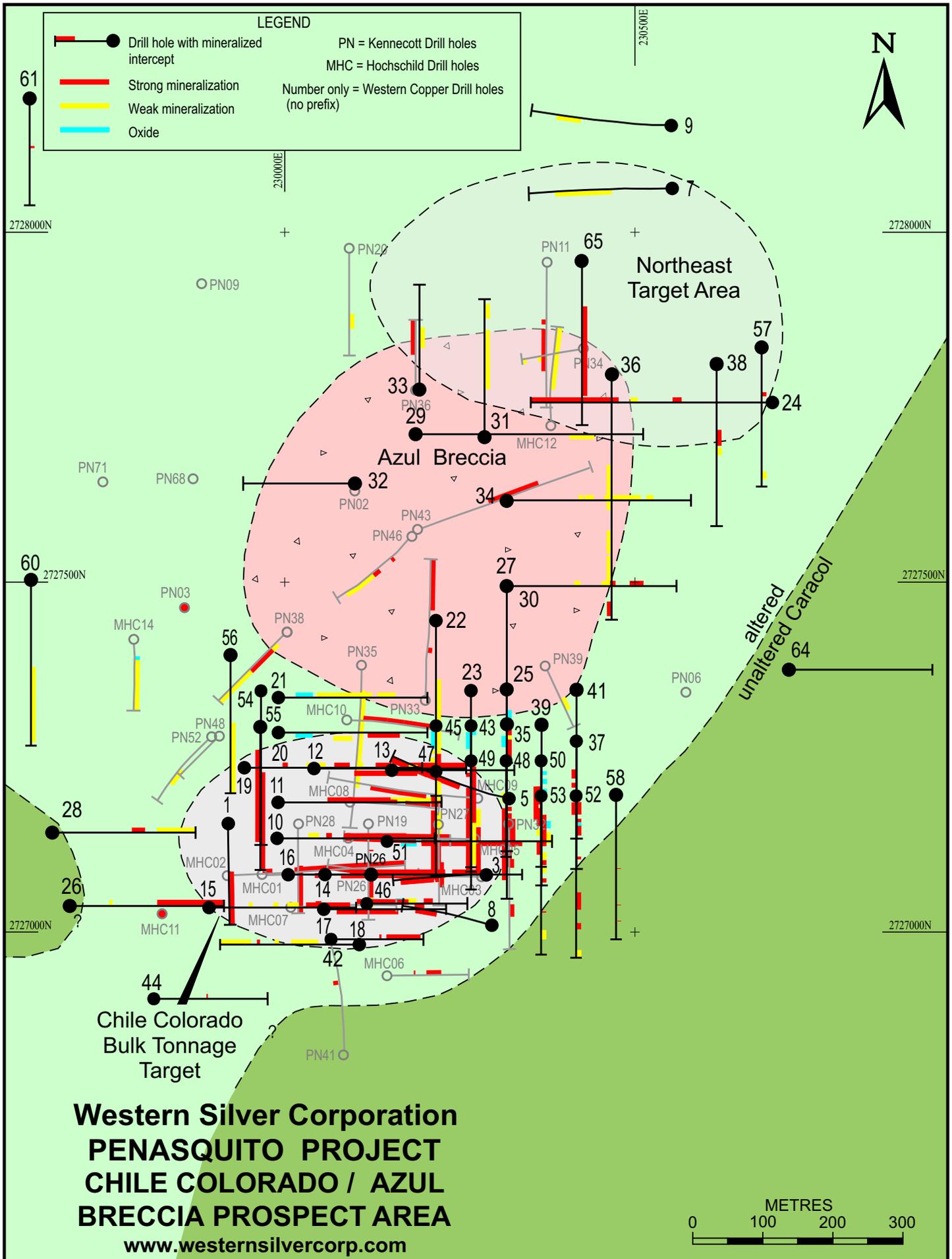
Based on a \$4 per metric tonne NSR cutoff grade, SNC estimated total *in situ* indicated mineral resources of 130 million short tons (121 million tons of sulfide and 9 million tons of oxide) with an average grade of 1.22 oz/st silver, 0.010 oz/st gold, 0.89% zinc, and 0.38% lead. The economic projections in this Information Memorandum are based solely on the sulfide indicated resource.

In addition, SNC estimated inferred resources of 65 million short tons grading 0.85 oz/st silver – the lower grade reflecting in part wide spaced drilling and the effect of kriging. The total indicated and inferred resource is estimated to be 195 million short tons grading 1.10 oz/st silver, 0.010 oz/st gold, 0.82% zinc, and 0.33% lead.

The section below demonstrates the consistent nature of the mineralization and the fact that high grade mineralization (in red and magenta) continues to the top of the bedrock. The lower-grade areas generally correspond to areas that are more distant from drill holes, suggesting that infill drilling may increase the grade, especially within the inferred resources.



Source: SNC-Lavalin



**Chile Colorado Resource Calculation
(Sulfide Resources)**

Cut-off NSR (\$/t)	Metric Units					Imperial Units		
	Tonnage (million t)	Grade				Tonnage (million st)	Grade	
		Silver (g/t)	Gold (g/t)	Zinc (%)	Lead (%)		Silver (oz/st)	Gold (oz/st)
Indicated								
-	169.62	30.85	0.27	0.68%	0.27%	186.98	0.90	0.008
2.00	145.64	35.20	0.31	0.77%	0.31%	160.53	1.03	0.009
3.00	128.62	38.63	0.33	0.84%	0.33%	141.78	1.13	0.010
4.00	110.07	42.92	0.36	0.92%	0.37%	121.33	1.25	0.011
5.00	92.37	47.93	0.40	1.01%	0.45%	101.82	1.40	0.012
6.00	77.23	53.90	0.43	1.11%	0.44%	85.12	1.57	0.013
7.00	64.88	58.24	0.46	1.20%	0.48%	71.51	1.70	0.013
8.00	54.91	63.22	0.49	1.28%	0.52%	60.52	1.84	0.014
10.00	39.81	73.04	0.54	1.45%	0.59%	43.88	2.13	0.016
Inferred								
-	109.86	19.80	0.21	0.47%	0.17%	121.10	0.58	0.006
2.00	92.27	22.65	0.24	0.54%	0.19%	101.71	0.66	0.007
3.00	74.78	25.48	0.28	0.62%	0.21%	82.43	0.74	0.008
4.00	57.32	29.11	0.31	0.70%	0.23%	63.19	0.85	0.009
5.00	44.18	32.44	0.35	0.78%	0.25%	48.70	0.95	0.010
6.00	32.36	36.29	0.40	0.87%	0.26%	35.67	1.06	0.012
7.00	24.21	39.95	0.44	0.94%	0.28%	26.69	1.17	0.013
8.00	18.35	43.47	0.47	1.00%	0.29%	20.23	1.27	0.014
10.00	9.07	51.52	0.55	1.13%	0.34%	10.00	1.50	0.016
Total								
-	279.48	26.51	0.25	0.60%	0.23%	308.07	0.77	0.007
2.00	237.91	30.33	0.28	0.68%	0.26%	262.24	0.88	0.008
3.00	203.40	33.79	0.31	0.76%	0.29%	224.21	0.99	0.009
4.00	167.40	38.19	0.34	0.84%	0.32%	184.52	1.11	0.010
5.00	136.55	42.92	0.38	0.94%	0.39%	150.52	1.25	0.011
6.00	109.58	48.70	0.42	1.04%	0.39%	120.79	1.42	0.012
7.00	89.09	53.27	0.45	1.13%	0.43%	98.20	1.55	0.013
8.00	73.26	58.27	0.48	1.21%	0.46%	80.75	1.70	0.014
10.00	48.88	69.04	0.54	1.39%	0.54%	53.88	2.01	0.016

Source: SNC-Lavalin

**Chile Colorado Resource Calculation
(Oxide Resources)**

Cut-off NSR (\$/t)	Metric Units					Imperial Units		
	Tonnage (million t)	Grade				Tonnage (million st)	Grade	
		Silver (g/t)	Gold (g/t)	Zinc (%)	Lead (%)		Silver (oz/st)	Gold (oz/st)
Indicated								
4.00	7.84	26.79	0.30	0.46%	0.51%	8.64	0.78	0.009
7.00	2.37	42.33	0.45	0.69%	0.81%	2.61	1.23	0.013
10.00	0.80	62.61	0.50	0.95%	1.16%	0.88	1.83	0.015
Inferred								
4.00	1.28	23.35	0.26	0.36%	0.59%	1.42	0.68	0.008
7.00	0.28	3.76	0.38	0.52%	0.91%	0.31	0.11	0.011
10.00	0.03	35.72	0.79	0.53%	0.45%	0.04	1.04	0.023
Total								
4.00	9.13	26.31	0.29	0.45%	0.52%	10.06	0.77	0.009
7.00	2.65	38.20	0.44	0.67%	0.82%	2.92	1.11	0.013
10.00	0.83	61.51	0.51	0.93%	1.13%	0.91	1.79	0.015

Source: SNC-Lavalin

**Chile Colorado Resource Calculation
(Total Resources)**

Cut-off NSR (\$/t)	Metric Units					Imperial Units		
	Tonnage (million t)	Grade				Tonnage (million st)	Grade	
		Silver (g/t)	Gold (g/t)	Zinc (%)	Lead (%)		Silver (oz/st)	Gold (oz/st)
Indicated								
-	195.81	28.66	0.25	0.63%	0.27%	215.84	0.84	0.007
2.00	164.21	33.29	0.30	0.72%	0.31%	181.01	0.97	0.009
3.00	140.86	37.22	0.32	0.80%	0.34%	155.27	1.09	0.009
4.00	117.92	41.85	0.36	0.89%	0.38%	129.98	1.22	0.010
5.00	97.20	47.17	0.40	0.99%	0.46%	107.15	1.38	0.012
6.00	80.43	53.27	0.43	1.09%	0.45%	88.65	1.55	0.013
7.00	67.24	57.68	0.46	1.18%	0.49%	74.12	1.68	0.013
8.00	56.66	62.70	0.49	1.26%	0.53%	62.46	1.83	0.014
10.00	40.60	72.83	0.54	1.44%	0.60%	44.75	2.12	0.016
Inferred								
-	117.81	19.17	0.21	0.45%	0.17%	129.86	0.56	0.006
2.00	96.12	22.39	0.24	0.53%	0.20%	105.95	0.65	0.007
3.00	76.97	25.34	0.28	0.61%	0.22%	84.85	0.74	0.008
4.00	58.61	28.98	0.31	0.69%	0.24%	64.60	0.85	0.009
5.00	44.92	32.34	0.35	0.77%	0.26%	49.52	0.94	0.010
6.00	32.79	36.21	0.40	0.86%	0.27%	36.15	1.06	0.012
7.00	24.50	39.53	0.44	0.94%	0.29%	27.00	1.15	0.013
8.00	18.47	43.40	0.47	1.00%	0.29%	20.36	1.27	0.014
10.00	9.11	51.46	0.55	1.13%	0.34%	10.04	1.50	0.016
Total								
-	313.62	25.10	0.24	0.56%	0.23%	345.70	0.73	0.007
2.00	260.33	29.27	0.28	0.65%	0.27%	286.96	0.85	0.008
3.00	217.83	33.02	0.31	0.73%	0.29%	240.12	0.96	0.009
4.00	176.52	37.58	0.34	0.82%	0.33%	194.58	1.10	0.010
5.00	142.12	42.48	0.38	0.92%	0.39%	156.66	1.24	0.011
6.00	113.22	48.33	0.42	1.03%	0.40%	124.80	1.41	0.012
7.00	91.74	52.83	0.45	1.12%	0.44%	101.12	1.54	0.013
8.00	75.13	57.96	0.49	1.20%	0.47%	82.82	1.69	0.014
10.00	49.71	68.92	0.54	1.38%	0.55%	54.79	2.01	0.016

Source: SNC-Lavalin

Upside Potential at Chile Colorado

The expansion potential at Chile Colorado falls into two broad categories – gaining a better understanding of existing resources through infill drilling and further analysis of the mineralization; and expansion of the known mineralized envelop.

In the first category, the company is undertaking analysis of the density of the mineralization. SNC assumed the rock to have a specific gravity of 2.6, although earlier testing indicated an average density of 2.65 and the mineralization itself is believed to be significantly more dense. A higher specific gravity would increase the tonnage and the estimated metal content.

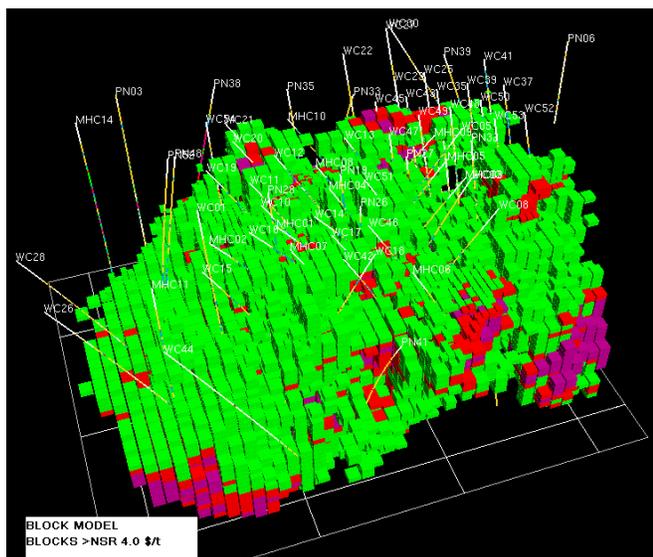
In addition, infill drilling especially within the area of inferred mineralization, as well as some further definition drilling within the core of Chile Colorado, may move the grade of the inferred mineralization towards that of the indicated resources.

These two factors alone could expand the estimated metal content in indicated sulfide resources at Chile Colorado from the current estimate of 159 million ounces of silver to at least 250 million ounces.

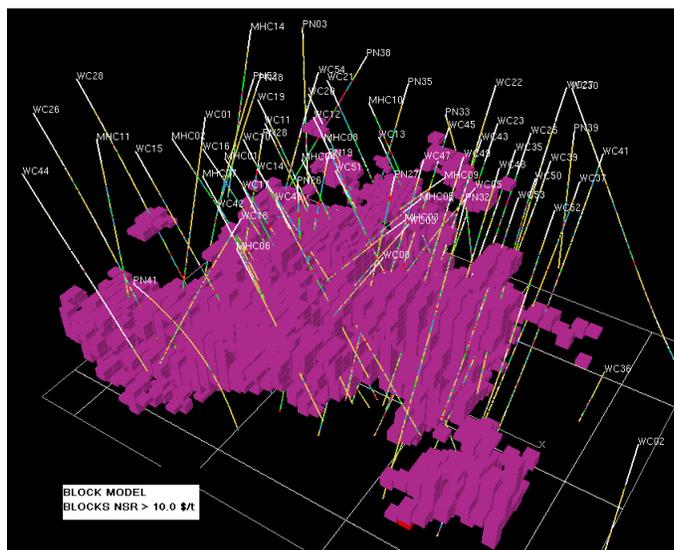
Further, the initial economics set out earlier in this Information Memorandum excludes the shallow oxide mineralization. Western is starting a shallow drill program to define this zone more fully.

The other broad area of potential for expansion lies outside the current envelop of mineralization and includes extensions to depth, to the northeast, northwest, and southwest.

>\$4 NSR Resource 3-D Model



High Grade >\$10 NSR Model



The 3-D models above demonstrate the high grade core (on the right) within a lower-grade envelop. The mineralization is highly consistent.

District Potential

The Azul Breccia intruded through Caracol Formation post-mineralization. The boundaries of the breccia are mineralized, probably primarily from the effects of the intrusive event. To the northeast of Azul, Western has found Chile Colorado-style mineralization. The extent of mineralization to the northeast is not yet known but will be tested by additional drilling.

The Outcrop Breccia was drilled by Kennecott. This wide-spaced drilling intercepted some high grades but is of insufficient density to support a resource calculation. Western has recently drilled two holes to the south of Outcrop that intersected strong alteration and narrow zones of high grade mineralization.

SNC observes that there is a good possibility to establish resources in the Outcrop area. In fact, the physical dimensions of the known area of mineralization and the grades of the wide-spaced drill intercepts indicate that Outcrop could be comparable to Chile Colorado in terms of tonnage and grade.

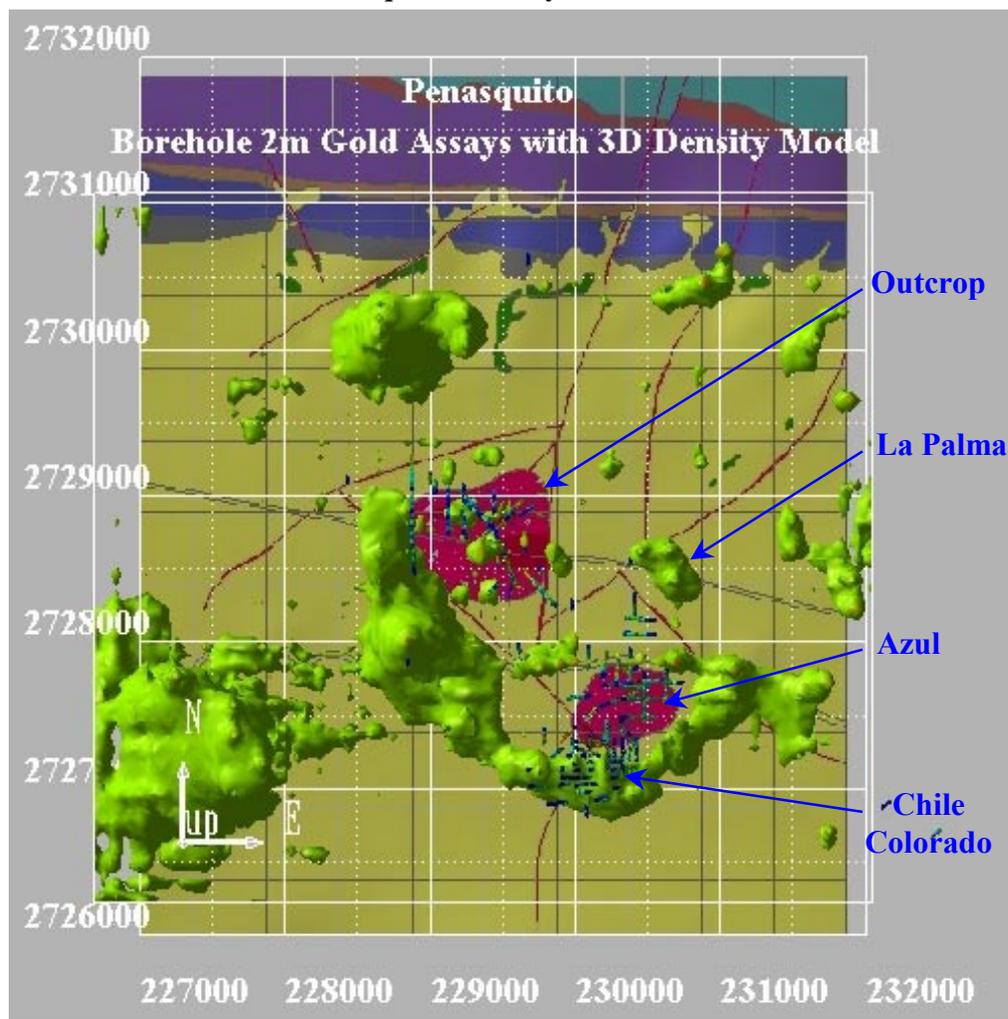
Western has also drilled a strong geophysical anomaly approximately 4,700 feet north of Azul and 3,300 feet east of Outcrop. There was sparse drilling by Kennecott in this area, including one vertical hole, PN-05 that returned 40 feet grading 0.54 oz/st gold. Western's WC-63 hole collared northwest of PN-05 and angled to the south intersected 0.58 oz/st over 20 feet approximately 150 feet to the west of PN-05.

This zone, named La Palma, could prove to be a high grade underground gold target. Further drilling is required to outline the size and continuity of La Palma – the geophysical anomaly is large.

SNC also identifies IP anomalies about 2,200 feet south of the Outcrop Breccia and about 3,000 feet west of Chile Colorado that it states represent high priority targets. There is no drilling in this area, although WC-60 drilled nearly 1,000 feet to the west of Chile Colorado intersected over 700 feet of mineralization including 33 feet of 1.6 oz/st silver and 0.013 oz/st gold at approximately 850 feet down hole.

These four areas – Outcrop to the northwest, La Palma to the northeast, Azul/Chile Colorado to the southeast, and the unnamed area identified by SNC – form the approximate corners of a square.

Peñasquito Gravity Anomalies



There are another 14 identified targets within the Peñasquito property, including the Gallo Blanco, Arroyo Seco and Cedros targets (see map on Page A - 3). Two holes drilled at Gallo Blanco, about seven miles southeast of Chile Colorado, intercepted weak disseminated and veinlet mineralization. Sampling at an old mine dump identified high grade silver in massive sulfide fragments.

EL SALVADOR

El Salvador, located 40 miles southeast of the city of Zacatecas, is an exploration joint venture between Teck (65%) and Western (35%), covering a 95 square mile area of interest.

The San Nicolas ore body in the south of the exploration area was discovered in 1997 – the discovery hole intersected 580 feet of massive sulfide mineralization.

Teck, the operator, completed a feasibility study in early 2002 but has decided to put the project on hold pending higher zinc prices. Teck's decision to postpone development demonstrates the dangers of farming control out to another entity whose decisions may not be entirely driven by economics. Western's current ownership is 21%, although it could ultimately be between 18.75% to 29.75% depending on options selected by Teck and Western.

Proved and probable reserves total 71 million tons grading 1.32% copper, 2.04% zinc, 0.015 oz/t gold and 0.94 oz/t silver – the shallower sections of the ore body are zinc-rich, with higher-grade copper mineralization at depth, including possible extensions below an initial open pit. The feasibility study projected mining 16,500 tons of ore per day, producing about 250,000 tonnes of copper concentrates with an average grade of 24% copper and 210,000 tonnes of zinc concentrates with an average grade of 50% zinc per year.

The feasibility study projects capital costs at US\$246 million with life of mine operating costs of approximately US\$7.70 per ton milled. One of the strengths of San Nicolas is that there is little infrastructure required – the project is three kilometers from a paved highway and thirty kilometers from a power line.

There are a number of massive sulfide targets within a ten-kilometer radius of San Nicolas that require additional work. Limited drilling at three of these prospects encountered narrow intersections of massive to semi-massive sulfides and stringers, as well as strong hydrothermal alteration.

Since the discovery of San Nicolas, district-wide exploration has been limited. However, it is well documented that massive sulfide deposits tend to occur in clusters. Knowledge gained at San Nicolas has helped the partners to understand the geologic setting, geochemical signature and geophysical response of the massive sulfide ore bodies – important information in identifying, prioritizing and evaluating other massive sulfide targets.

CARMACKS COPPER PROJECT

The Carmacks Project, which has an open-pit mineable reserve of 17 million tons grading 1.01% copper, is projected to produce 30 to 32 million pounds of copper annually.

EXPLORATION JOINT VENTURES

Western Silver has two key joint venture partners: Apex Silver and Anglo American.

EL PIRUL

In April 2002, Western and Apex entered into a joint exploration project in northern part of the Zacatecas silver district. The agreement consolidates 15,500 acres held by the two companies in an area that has not been systematically evaluated for sediment hosted or volcanogenic massive sulfide deposits.

Western is the operator of the program to map and potentially drill the property. Initial mapping has identified several prospective areas that will undergo additional evaluation during 2003. Drilling could commence later this year.

SAN JERONIMO

In August 2002, Western and Apex entered into an agreement covering the 11,800 acre San Jeronimo silver property in Zacatecas State whereby Apex has the right to earn a 70% interest by making \$1.18 million in land and tax payments through March 2005.

San Jeronimo is located about 13 miles south of the city of Zacatecas in the heart of the Faja de Plata district, which was an important mining area prior to the Mexican Revolution in 1911. Apex is focusing its exploration efforts on the Loreto vein, which is some 1.6 miles long. Western had previously demonstrated potential for both high grade and bulk mineable vein and stockwork silver mineralization. Apex plans to commence drilling later this year.

ALMOLOYA

In November 2002, Western and Anglo American entered into an agreement whereby Anglo has the right to earn up to 80% in a large land holding that covers the historic Almoloya zinc-lead-silver-gold district in southern Chihuahua. Historic mining started in the 1850s when bonanza-grade oxide ores were produced. The property is highly prospective for both sulfide and oxide base metal deposits.

Anglo is the operator and has completed initial reconnaissance. Plans for 2003 include mapping, geochemical and geophysical surveys, and possibly initial drilling.