



**Pan American**  
SILVER CORP.

PAAS: NASDAQ  
PAA: TSX



THE VALUE OF  
Commitment

Denver Gold Forum  
September 21, 2010

# Cautionary Note Regarding Forward-Looking Statements



CERTAIN OF THE STATEMENTS AND INFORMATION IN THIS PRESENTATION CONSTITUTE “FORWARD-LOOKING STATEMENTS” WITHIN THE MEANING OF THE UNITED STATES PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995 AND “FORWARD-LOOKING INFORMATION” WITHIN THE MEANING OF APPLICABLE CANADIAN PROVINCIAL SECURITIES LAWS RELATING TO THE COMPANY AND ITS OPERATIONS. ALL STATEMENTS, OTHER THAN STATEMENTS OF HISTORICAL FACT, ARE FORWARD-LOOKING STATEMENTS. WHEN USED IN THIS PRESENTATION THE WORDS, “BELIEVES”, “EXPECTS”, “INTENDS”, “PLANS”, “FORECAST”, “OBJECTIVE”, “OUTLOOK”, “POSITIONING”, “POTENTIAL”, “ANTICIPATED”, “BUDGET”, AND OTHER SIMILAR WORDS AND EXPRESSIONS, IDENTIFY FORWARD-LOOKING STATEMENTS OR INFORMATION. THESE FORWARD-LOOKING STATEMENTS OR INFORMATION RELATE TO, AMONG OTHER THINGS: FUTURE PRODUCTION OF SILVER, GOLD AND OTHER METALS; FUTURE CASH COSTS PER OUNCE OF SILVER; THE PRICE OF SILVER AND OTHER METALS; THE EFFECT OF THE ACQUISITION OF AQUILINE RESOURCES ON THE COMPANY; THE EFFECTS OF LAWS, REGULATIONS AND GOVERNMENT POLICIES AFFECTING PAN AMERICAN'S OPERATIONS OR POTENTIAL FUTURE OPERATIONS, INCLUDING BY NOT LIMITED TO, LAWS IN THE PROVINCE OF CHUBUT, ARGENTINA, WHICH, CURRENTLY HAVE SIGNIFICANT RESTRICTIONS ON MINING; FUTURE SUCCESSFUL DEVELOPMENT OF THE NAVIDAD PROJECT, THE LA PRECIOSA PROJECT, AND OTHER DEVELOPMENT PROJECTS OF THE COMPANY; THE SUFFICIENCY OF THE COMPANY'S CURRENT WORKING CAPITAL, ANTICIPATED OPERATING CASH FLOW OR ITS ABILITY TO RAISE NECESSARY FUNDS; THE ANTICIPATED COSTS, TIMING AND SUCCESSFUL COMPLETION OF THE FUTURE RELOCATION OF THE CORE MOROCOCHA FACILITIES AND THE EFFECTS OF SUCH RELOCATION ON THE COMPANY; THE ACCURACY OF MINERAL RESERVE AND RESOURCE ESTIMATES; TIMING OF PRODUCTION AND THE CASH AND TOTAL COSTS OF PRODUCTION AT EACH OF THE COMPANY'S PROPERTIES; ONGOING OR FUTURE DEVELOPMENT PLANS AND CAPITAL REPLACEMENT, IMPROVEMENT OR REMEDIATION PROGRAMS; THE ESTIMATES OF EXPECTED OR ANTICIPATED ECONOMIC RETURNS FROM THE COMPANY'S MINING PROJECTS; ESTIMATED EXPLORATION EXPENDITURES TO BE INCURRED ON THE COMPANY'S VARIOUS PROPERTIES; FORECAST CAPITAL AND NON-OPERATING SPENDING; FUTURE SALES OF THE METALS, CONCENTRATES OR OTHER PRODUCTS PRODUCED BY THE COMPANY; AND THE COMPANY'S PLANS AND EXPECTATIONS FOR ITS PROPERTIES AND OPERATIONS.

THESE STATEMENTS REFLECT THE COMPANY'S CURRENT VIEWS WITH RESPECT TO FUTURE EVENTS AND ARE NECESSARILY BASED UPON A NUMBER OF ASSUMPTIONS AND ESTIMATES THAT, WHILE CONSIDERED REASONABLE BY THE COMPANY, ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, POLITICAL AND SOCIAL UNCERTAINTIES AND CONTINGENCIES. MANY FACTORS, BOTH KNOWN AND UNKNOWN, COULD CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO BE MATERIALLY DIFFERENT FROM THE RESULTS, PERFORMANCE OR ACHIEVEMENTS THAT ARE OR MAY BE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS CONTAINED IN THIS PRESENTATION AND THE COMPANY HAS MADE ASSUMPTIONS AND ESTIMATES BASED ON OR RELATED TO MANY OF THESE FACTORS. SUCH FACTORS INCLUDE, WITHOUT LIMITATION: FLUCTUATIONS IN SPOT AND FORWARD MARKETS FOR SILVER, GOLD, BASE METALS AND CERTAIN OTHER COMMODITIES (SUCH AS NATURAL GAS, FUEL OIL AND ELECTRICITY); FLUCTUATIONS IN CURRENCY MARKETS (SUCH AS THE CANADIAN DOLLAR, PERUVIAN SOL, MEXICAN PESO, ARGENTINE PESO AND BOLIVIAN BOLIVIANO VERSUS THE U.S. DOLLAR); RISKS RELATED TO THE TECHNOLOGICAL AND OPERATIONAL NATURE OF THE COMPANY'S BUSINESS; CHANGES IN NATIONAL AND LOCAL GOVERNMENT, LEGISLATION, TAXATION, CONTROLS OR REGULATIONS AND POLITICAL OR ECONOMIC DEVELOPMENTS IN CANADA, THE UNITED STATES, MEXICO, PERU, ARGENTINA, BOLIVIA OR OTHER COUNTRIES WHERE THE COMPANY MAY CARRY ON BUSINESS IN THE FUTURE; RISKS AND HAZARDS ASSOCIATED WITH THE BUSINESS OF MINERAL EXPLORATION, DEVELOPMENT AND MINING (INCLUDING ENVIRONMENTAL HAZARDS, INDUSTRIAL ACCIDENTS, UNUSUAL OR UNEXPECTED GEOLOGICAL OR STRUCTURAL FORMATIONS, PRESSURES, CAVE-INS AND FLOODING); RISKS RELATING TO THE CREDIT WORTHINESS OR FINANCIAL CONDITION OF SUPPLIERS, REFINERS AND OTHER PARTIES WITH WHOM THE COMPANY DOES BUSINESS; INADEQUATE INSURANCE, OR INABILITY TO OBTAIN INSURANCE, TO COVER THESE RISKS AND HAZARDS; EMPLOYEE RELATIONS; RELATIONSHIPS WITH AND CLAIMS BY LOCAL COMMUNITIES AND INDIGENOUS POPULATIONS; AVAILABILITY AND INCREASING COSTS ASSOCIATED WITH MINING INPUTS AND LABOUR; THE SPECULATIVE NATURE OF MINERAL EXPLORATION AND DEVELOPMENT, INCLUDING THE RISKS OF OBTAINING NECESSARY LICENSES AND PERMITS AND THE PRESENCE OF LAWS AND REGULATIONS THAT MAY IMPOSE RESTRICTIONS ON MINING, INCLUDING THOSE CURRENTLY IN THE PROVINCE OF CHUBUT, ARGENTINA; DIMINISHING QUANTITIES OR GRADES OF MINERAL RESERVES AS PROPERTIES ARE MINED; GLOBAL FINANCIAL CONDITIONS; THE COMPANY'S ABILITY TO COMPLETE AND SUCCESSFULLY INTEGRATE ACQUISITIONS AND TO MITIGATE OTHER BUSINESS COMBINATION RISKS; CHALLENGES TO, OR DIFFICULTY IN MAINTAINING, THE COMPANY'S TITLE TO PROPERTIES AND CONTINUED OWNERSHIP THEREOF; THE ACTUAL RESULTS OF CURRENT EXPLORATION ACTIVITIES, CONCLUSIONS OF ECONOMIC EVALUATIONS, AND CHANGES IN PROJECT PARAMETERS TO DEAL WITH UNANTICIPATED ECONOMIC OR OTHER FACTORS; INCREASED COMPETITION IN THE MINING INDUSTRY FOR PROPERTIES, EQUIPMENT, QUALIFIED PERSONNEL, AND THEIR COSTS; AND THOSE FACTORS IDENTIFIED UNDER THE CAPTION “RISKS RELATED TO PAN AMERICAN'S BUSINESS” IN THE COMPANY'S MOST RECENT FORM 40-F AND ANNUAL INFORMATION FORM FILED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CANADIAN PROVINCIAL SECURITIES REGULATORY AUTHORITIES. INVESTORS ARE CAUTIONED AGAINST ATTRIBUTING UNDUE CERTAINTY OR RELIANCE ON FORWARD-LOOKING STATEMENTS. ALTHOUGH THE COMPANY HAS ATTEMPTED TO IDENTIFY IMPORTANT FACTORS THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY, THERE MAY BE OTHER FACTORS THAT CAUSE RESULTS NOT TO BE AS ANTICIPATED, ESTIMATED, DESCRIBED OR INTENDED. THE COMPANY DOES NOT INTEND, AND DOES NOT ASSUME ANY OBLIGATION, TO UPDATE THESE FORWARD-LOOKING STATEMENTS OR INFORMATION TO REFLECT CHANGES IN ASSUMPTIONS OR CHANGES IN CIRCUMSTANCES OR ANY OTHER EVENTS AFFECTING SUCH STATEMENTS OR INFORMATION, OTHER THAN AS REQUIRED BY APPLICABLE LAW.

# PAAS Today



- 14 consecutive years of silver **production growth**
- **Diversified** geopolitical & operational exposure
- **Industry-leader** in mine construction and operation
- **Superior** balance sheet
- Core assets with **exceptional exploration** potential
- **Long-life** proven & probable **silver reserves**
- World-class **project development pipeline** with recent additions of La Preciosa and Navidad

# Diversified Asset Base



## 7 Operating Mines and 4 Development Projects



# Q2 2010 - Highlights



	Q2 2010
<b>Record Silver Production (million oz)</b>	<b>6.9</b>
Gold Production (thousand oz)	21.1
<b>Cash Costs per Ounce of Silver</b>	<b>\$5.64</b>
Adjusted Net Income <sup>(1)</sup> (million US\$)	\$21.1
<b>Adjusted Net Income per Share (US\$)</b>	<b>\$0.20</b>
Cash Flow from Operations <sup>(2)</sup> (million US\$)	\$42.9
<b>Cash Flow per Share (US\$)</b>	<b>\$0.40</b>
Sales (million US\$)	\$147.3

<sup>(1)</sup> Adjusted Net Income is net income adjusted for the following non-routine or non-operational items: (a) non-cash foreign exchange gains of \$1.6 M, (b) gains on commodity contracts of \$1.3M, (c) add-back of the after-tax effect of a doubtful accounts provision of \$2.1 M, and (d) add-back of with-holding tax expenses paid on inter-company loan interest of \$3.7 M.

<sup>(2)</sup> Cash Flow From Operations (before changes in non-cash working capital) is a non-GAAP measure used by the Company to manage and evaluate operating performance and the Company considers this measure to better reflect normalized cash flow generated by operations.

# Q2 2010 - Silver Production



Mine	Silver Production Ounces (Moz)	Cash Costs (US\$ per ounce)*
Huaron	0.74	\$13.61
Morococha	0.65	\$4.83
Quiruvilca	0.32	\$8.01
Alamo Dorado	2.42	\$2.36
La Colorada	0.93	\$9.04
San Vicente	0.84	\$7.88
Manantial Espejo	0.98	\$3.07
<b>TOTAL</b>	<b>6.88</b>	<b>\$5.64</b>

\* Cash costs per ounce of silver, net of by-product credits

# Q2 2010 - Highlights



- **Alamo Dorado** mine produced a new quarterly record of 2.4 million ounces of silver
- **San Vicente** mine silver production increased 37% year-on-year
- Throughput rates and recoveries improving at **Huaron** and should normalize towards end of Q3
- Aggressively advancing the world class **Navidad** silver development project
- Signed agreement with Minera Chinalco Peru ("MCP") for the long-term coexistence of the **Morococha** mine and MCP's Toromocho project

# Q2 2010 - Financial Position\*



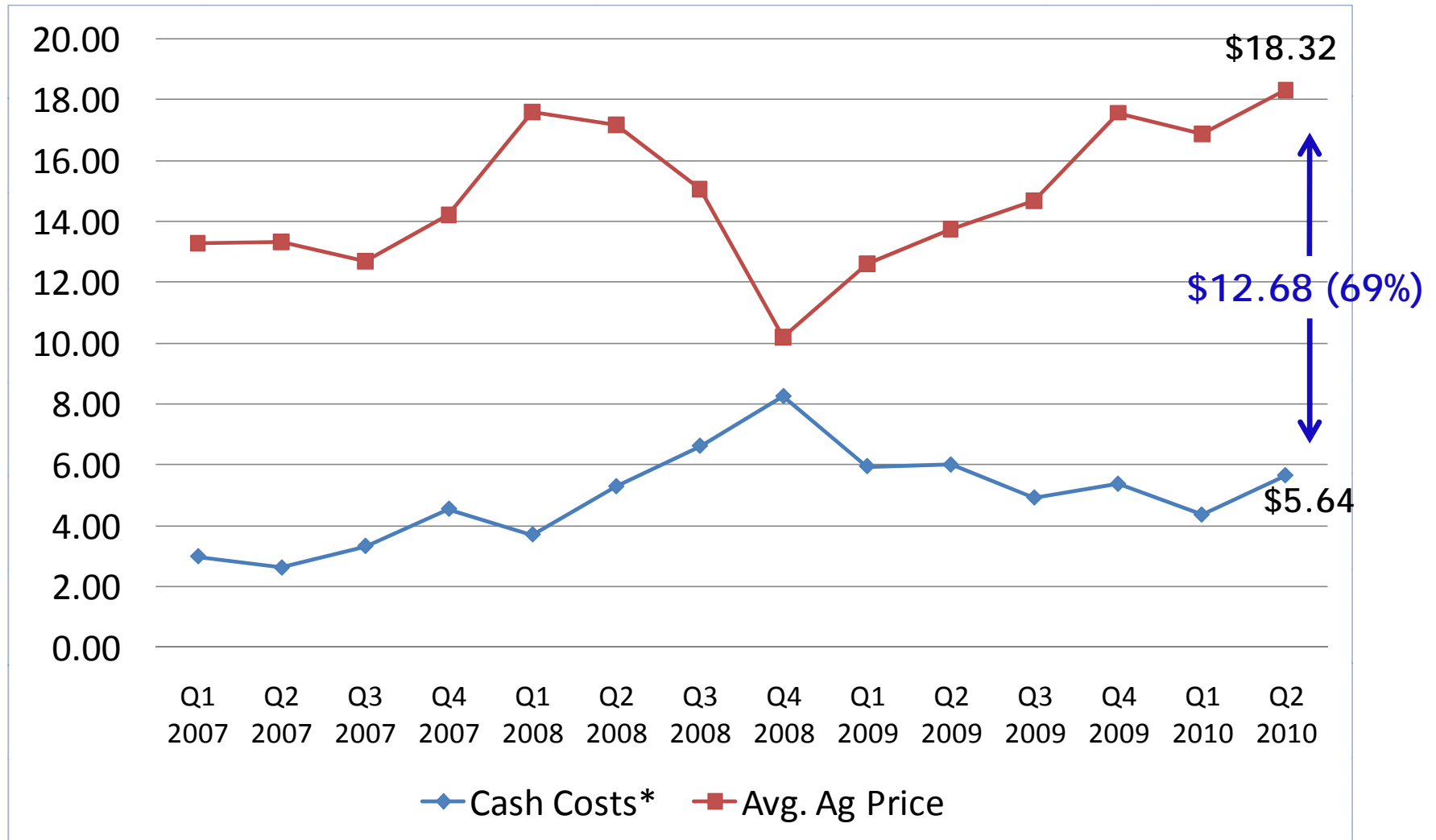
	Million US\$
Cash & Cash Equivalents	\$238
Net Working Capital	\$322
Undrawn Credit Facility	\$70
Debt	\$0

- Generating quarterly **free cash flow of \$20 to \$25 million**
- Paid **second semi-annual dividend of \$0.025** per common share

\*As at June 30, 2010



# Expanding Cash Margins



\* Cash Costs net of by-product credits

# 2010 Production Forecast



	Revised (Apr 19, 2010)
Silver	23.4 Moz
Gold	95 Koz
Copper	7,300 tonnes
Zinc	46,000 tonnes
Lead	15,800 tonnes
Cash Costs*	\$5.90/oz Ag

\* Price assumptions: Ag \$15/oz, Au \$975/oz, Zn \$1,875/tonne, Pb \$1,875/tonne, Cu \$5,600 tonne

# Morococha - Toromocho Agreement



- In June, PAAS reached an agreement with Minera Chinalco Peru on coexistence of Toromocho project and Morococha mine
- Morococha's ancillary facilities and processing plant to be relocated in stages over the next 5 years
- PAAS will receive:
  - Surface rights to relocate facilities and easements
  - New prospective mineral concessions
  - Payments totalling \$40 million to help offset relocation costs
- PAAS evaluating significant mine productivity and processing enhancements while advancing mill construction studies

Morococha's future: secure, very long-life asset

# 2010 Brownfield Exploration



## 2010 Diamond Drilling Program

Mine	Meters	Budget (million US\$)
Morococha	28,400	2.1
Huaron	10,000	1.5
Quiruvilca	12,000	0.2
San Vicente	3,600	0.6
La Colorada	12,000	1.3
Alamo Dorado	3,000	0.2
Manantial Espejo	20,000	2.3
<b>TOTAL</b>	<b>89,000</b>	<b>\$8.2</b>

# Q2 Brownfield Exploration Highlights



## La Colorada

- Continuing down dip exploration of main NC2 vein
- Intercepts of up to **3.7 meters of multi-kg silver** with substantial Pb and Zn sulfides
- Expecting to add significant new reserves in 2010

## Manantial Espejo

- Discovered **700 meter extension** of the main **Maria vein**
- Parallel hanging + footwall structures returned high Ag and Au grades in many holes
- Another drill rig to be added at the end of Q3

# Growth - La Preciosa JV



## Resources\*

Category	Tonnes	Ag Grade	Ag Ounces	Au Grade	Au Ounces
M&I Resources	10.6 mt	185 g/t	63 Moz	0.27 g/t	92 Koz
Inferred Resources	12.1 mt	185 g/t	72 Moz	0.25 g/t	97 Koz

\* For full details, see Technical Report on the La Preciosa Project prepared by Mine Development Associates for Orko Silver; dated March 31, 2009.



# La Preciosa - Q2 Highlights

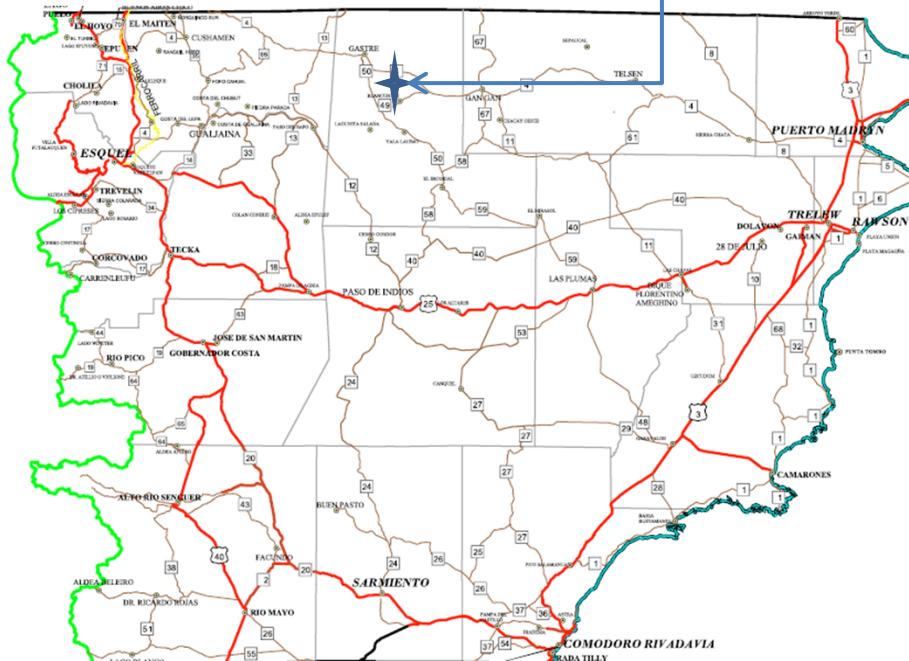


- Infill drilling essentially complete (19,000 meters in Q2 and almost 35,000 meters YTD) - Updating resource model
- Current emphasis on exploration drilling (3 rigs on site):
  - New targets Nancy and Orito
  - Looking for north extensions of principal Martha vein
- Advancing Environmental Impact Assessment, mine planning, and capital and operating cost estimates
- **Preliminary Economic Assessment expected in late 2010**

# Growth - Navidad



## Chubut, Argentina



- 40 kms away from towns of Gastre and Gan Gan
- Local population: approximately 1,100 inhabitants
- Local economic activity: mostly low density sheep ranching
- Landscape: Patagonia's central plateau – arid, with sparse vegetation

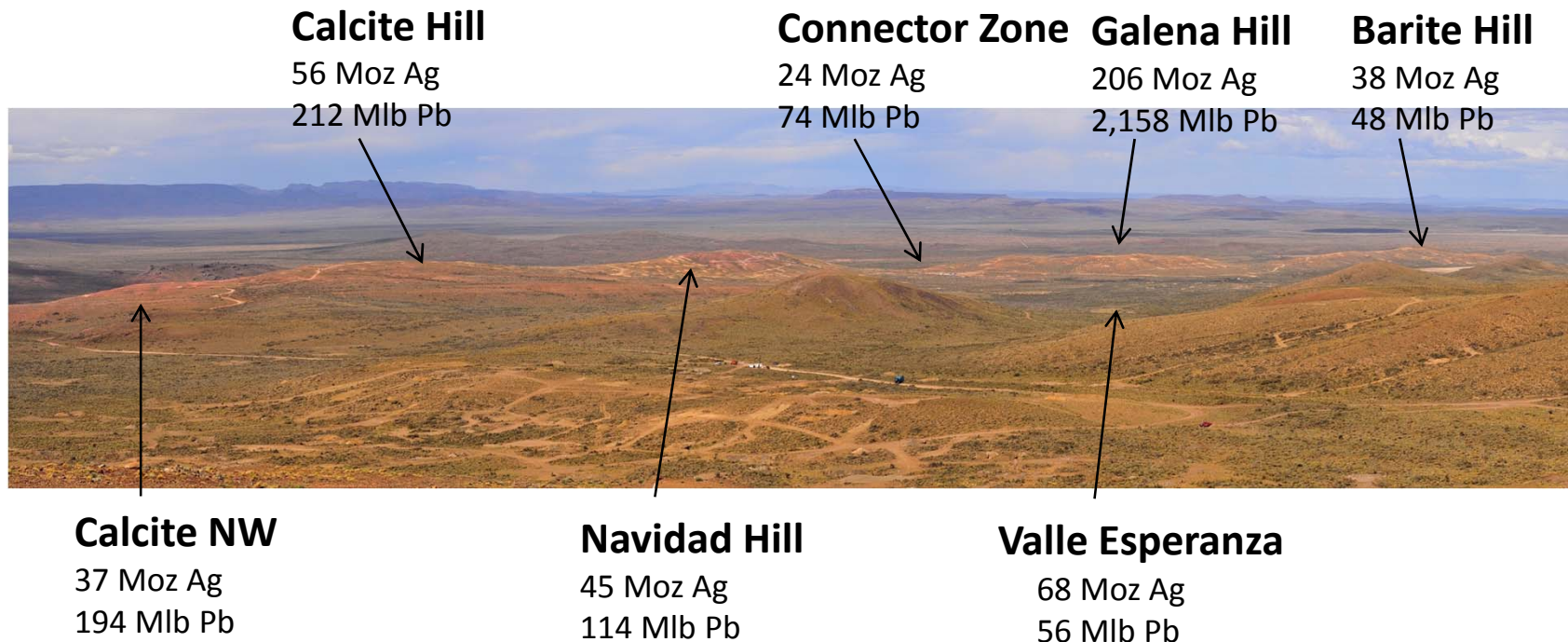




# Growth - Navidad Resources\*



- 3 mineralized trends (Argenta, Esperanza & Navidad)
- 8 separate deposits:
  - 632 Moz contained Ag in M+I Resources
  - 119 Moz contained Ag in Inferred Resources



\* For full details, refer to the report entitled "Pan American Silver Corp.: Navidad Project, Chubut Province, Argentina: Technical Report" dated February 4, 2010 (the "Navidad Report")

# Growth - Navidad

## 3 Distinct Mineralized Trends



# Navidad - Q2 Highlights



- Over 33,000 meters of infill and condemnation drilling during Q2
- Advancing Environmental Impact Assessment
- Metallurgical testing defined 3 basic metallurgical ore types that will produce:
  - high value silver concentrate
  - lead concentrate with moderate to high silver content
  - high pyritic ores that generate typical lead concentrates
- Focusing on understanding ore distribution to build mine plan and estimate capital and operating costs
- **Preliminary Economic Assessment expected in late 2010**

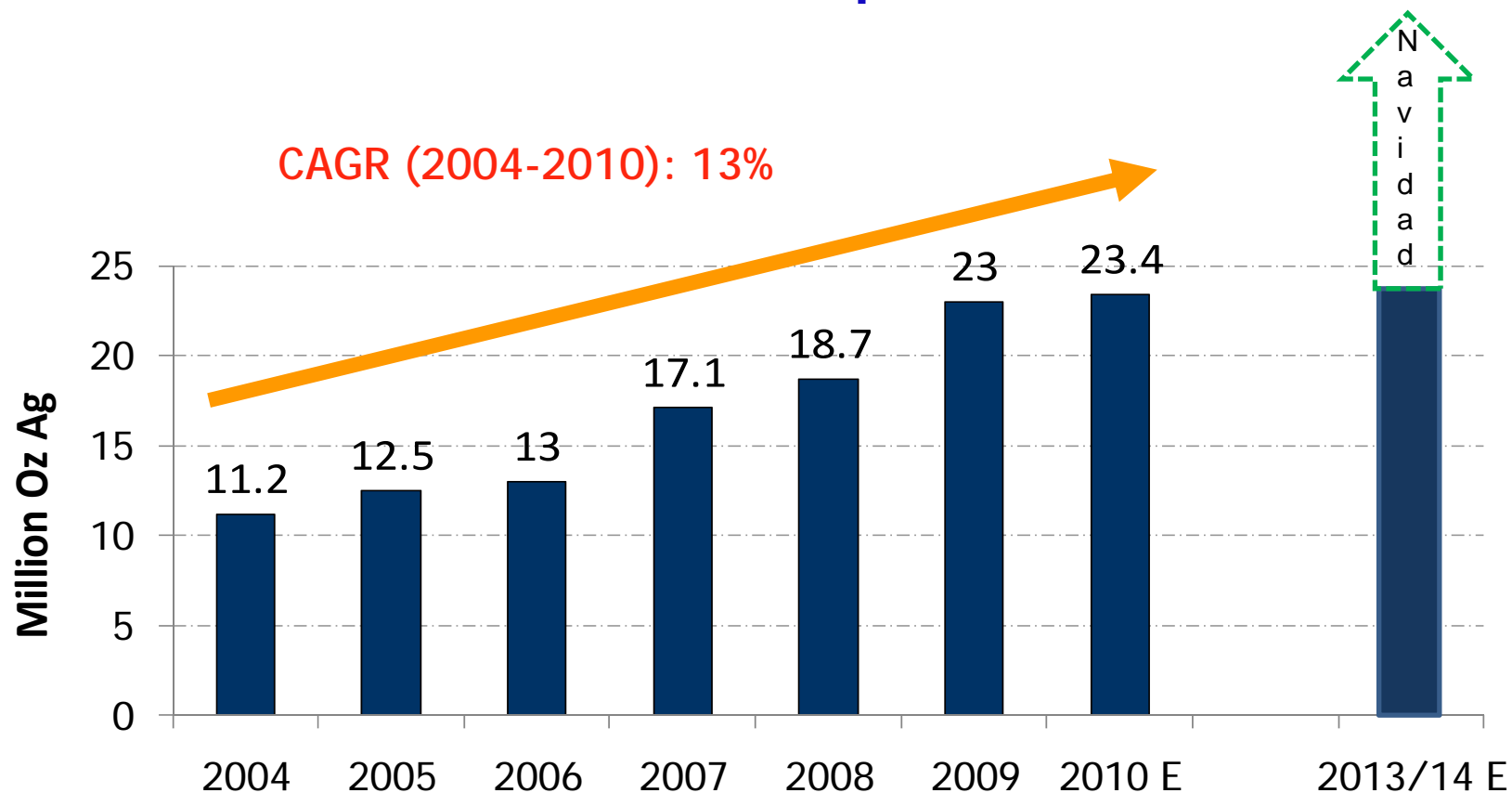
# Navidad - Chubut Political Update



- Open pit mining ban still in place throughout the Province
- Continue to keep the Provincial government fully advised of our progress and schedules
- Initiated comprehensive province-wide public relations program to support government efforts to amend mining law
- **PAA remains confident that the Provincial government will pass an amendment to allow the development of Navidad**

# Silver Production Growth Profile

## 14 Years of Uninterrupted Growth



Navidad would dramatically increase our Silver production

# The Silver Market



# The Silver Market - 2009



## Supply

- Total supply flat at 889 Moz
- Total supply, including Indian bar dishoarding declined 13.2 Moz year-over-year to 930.2 Moz
- Mine production rose 4% to 709.6 Moz
- 30% of mine supply from primary silver mines
- Government sales of 13.7 Moz (10-year low)
- Scrap supply declined 5.9% to 165.7 Moz (13-year low)

# The Silver Market 2009



## Demand

- Total demand 867 Moz
- Total fabrication demand down 12% at 730 Moz
  - Industrial demand down 20.6% at 352 Moz (6-year low)
  - Photography down 21% at 82.9 Moz
  - Jewelry down just 1.1% at 156.6 Moz
  - Silverware up 4.6% at 59.5 Moz
  - **Coin demand rose 21%** to record 78.7 Moz
- **Net investment grew 184%** to almost 137 Moz



# The Silver Market 2009



## Investment Demand

- Investor interest remained strong on the back of plunging economic activity and global financial crisis
- **Silver ETFs holdings rose nearly 50% in 2009**
- Silver ETFs continued to rise in the first 7 months of 2010 to 489 million ounces

# The Silver Market



## 2010 Outlook (GFMS)

- Supply expected to remain flat
- Further reductions in scrap and government sales to offset modest increase in mine production
- Silver fabrication demand expected to increase
- Silver investment expected to remain strong due to recent weakness in European economies and fears of inflation
- Silver market surplus expected to be comfortably absorbed by investors
- Silver prices to remain around current levels in H1, **but rise over \$20/oz expected in the second half of the year**

# Our Capital Structure



Shares Outstanding*	106.9 million
Diluted Shares*	107.6 million
Market Cap (US\$)	\$2.7 billion
<u><a href="#">TSX (PAA)</a></u>	
52-week Low/High	\$19.45-\$28.97
3 Month Avg. Daily Volume	0.26 million
<u><a href="#">Nasdaq (PAAS)</a></u>	
52-week Low/High	\$16.64-\$28.41
3-month Avg. Daily Volume	1.25 million

\* As of June 30, 2010

# Our Executive Team



## Experienced Mine Construction and Operations Team



**LEFT TO RIGHT**

Back: Michael Steinmann - EVP Geology & Exploration; Andres Dasso - SVP Mining Operations; Wayne Vincent - VP Accounting & Financial Reporting  
Front: Joe Phillips - SVP Project Development; Rob Doyle - CFO; Geoff Burns - President & CEO; Steve Busby - COO; Martin Wafforn - VP Technical Services

# Our Board of Directors



## **Ross J. Beaty - Chairman**

Founder of Pan American Silver; Geologist with over 36 years of industry experience

## **Geoffrey A. Burns - Director**

President & CEO of Pan American Silver; over 25 years of industry experience

## **Robert Pirooz - Director**

General Counsel of Pan American Silver; Pan American Silver

## **Michael J.J. Maloney - Director (Independent)**

Lawyer and private investor

## **Michael Larson - Director (Independent)**

Business manager for Cascade Investment LLP; private investment firm owned by Bill Gates

## **Paul B. Sweeney - Director (Independent)**

Accountant; President Plutonic Power Corporation

## **David Press - Director (Independent)**

Mining engineer with over 38 years of industry experience

## **Walter T. Segsworth - Director (Independent)**

Mining engineer with over 37 years of industry experience

## **Bill Fleckenstein - Director (Independent)**

President of Fleckenstein Capital

# Why PAAS? - Why Now?



- Strong balance sheet
- Exemplary track record of mine construction and operations
- Experienced management team
- Currently minimal (if any) value in our stock for world-class Navidad silver project
- Provides excellent leverage to rising silver prices



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## THE VALUE OF Commitment

Community of Morococha, Peru.

# Cautionary Statements



## CAUTIONARY NOTE REGARDING MINERAL RESOURCE AND MINERAL RESERVE ESTIMATES

- Mineral resources that are not mineral reserves have no demonstrated economic viability. PAA is required to describe mineral resources associated with their properties utilizing Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") definitions of "indicated" or "inferred", which categories of resource are recognized by Canadian regulations but are not recognized by the United States Securities Exchange Commission (the "SEC"). The definitions of proven and probable mineral reserves used in National Instrument 43-101 Standards of Disclosure for Mineral Projects adopted by Canadian Securities Administrators ("NI 43-101") differ from the definitions in the SEC Industry Guide 7. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases.
- Disclosure of "contained ounces" in a mineral resource is permitted disclosure under Canadian regulations. However, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade, without reference to unit measures. The requirements of NI 43-101 for identification of "reserves" are also not the same as those of the SEC, and mineral reserves reported by the Company in compliance with NI 43-101 may not qualify as "reserves" under SEC standards.
- Accordingly, information contained in this investor presentation containing descriptions of mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations hereunder.





This Presentation is available at:  
[www.panamericansilver.com](http://www.panamericansilver.com)

# Endnotes and Cautionary Statements



- Michael Steinmann, P.Geol. Executive Vice President, Geology and Exploration of PAA and Martin Wafforn, P. Eng., Vice President, Technical Services of PAA are the “qualified persons” within the meaning of National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“NI 43-101”) who supervised the preparation of the scientific and technical information of PAA included in this presentation. For more information on PAA’s projects, readers should refer to the PAA’s Annual Information Form for the year ended December 31, 2009, dated March 31, 2010 and the technical reports referenced therein and PAA’s Annual Report for the year ended December 31, 2009, each of which is available on SEDAR at [www.sedar.com](http://www.sedar.com).
- The scientific and technical information related to the Navidad project resources included in this investor presentation are derived from the technical report entitled Pan American Silver Corp. Navidad Project, Chubut, Argentina, dated February 2010, prepared by Peter Myers, B.E. (Min)(Hons), MAusIMM, of Snowden Mining Industry Consultants (“Snowden”), Pamela De Mark, BSc (App Geo), MAusIMM. of Snowden and John A. Wells, BSc (Hons), MBA, MCIMM, FSAIMM, Independent Metallurgical Consultant, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

# Appendix I

## Pan American Silver Reserves



Mine	Classification	Tonnes (000's)	Ag (g/mt)	Ag Cont (000's oz)	Au (g/mt)	Au Cont (oz)	Cu %	Pb %	Zn %
Huaron	Proven	6,471	185	38,385	-	-	0.31	1.56	3.15
	Probable	4,371	184	25,845	-	-	0.29	1.58	3.21
Morococha (92.2%)	Proven	4,079	166	21,709	-	-	0.41	1.42	3.57
	Probable	2,707	187	16,267	-	-	0.46	1.53	3.55
La Colorada	Proven	1,106	400	14,236	0.55	19,496	-	0.67	1.37
	Probable	1,176	429	16,199	0.47	17,935	-	1.37	2.87
Quiruvilca	Proven	407	168	2,201	0.77	10,103	0.67	1.30	4.08
	Probable	363	148	1,725	0.56	6,503	0.69	1.14	3.08
Silver Stockpiles	Probable	189	318	1,935	-	-	-	-	-
Alamo Dorado	Proven	6,468	100	20,779	0.34	70,491	-	-	-
	Probable	3,678	86	10,116	0.31	36,656	-	-	-
Manantial Espejo	Proven	4,308	163	22,631	2.33	322,749	-	-	-
	Probable	3,033	138	13,501	2.00	195,032	-	-	-
San Vicente (95%)	Proven	1,548	423	21,059	-	-	0.10	-	2.35
	Probable	709	323	7,329	-	-	0.18	-	2.13
<b>TOTALS</b>	<b>Proven + Probable</b>	<b>40,609</b>	<b>179</b>	<b>233,916</b>	<b>-</b>	<b>678,966</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Appendix II

## Pan American Silver Resources



Mine	Classification	Tonnes (000's)	Ag (g/mt)	Ag Cont (000's oz)	Au (g/mt)	Au Cont (000's oz)	Cu %	Pb %	Zn %
Huaron	Measured	819	159	4,179	-	-	0.54	2.59	3.87
	Indicated	521	157	2,638	-	-	0.65	.50	3.93
	Inferred	5,416	177	30,754	-	-	0.28	1.44	2.95
Morococha (92.2%)	Measured	1,091	145	5,098	-	-	0.33	1.37	3.26
	Indicated	1,409	213	9,667	-	-	0.59	1.62	3.02
	Inferred	6,260	177	35,621	-	-	0.41	1.45	3.55
La Colorada	Measured	129	232	960	0.26	1,088	-	0.38	0.75
	Indicated	1,259	215	8,700	0.19	7,839	-	0.86	1.35
	Inferred	2,750	308	27,245	0.35	31,113	-	1.08	1.77
Quiruvilca	Measured	2,386	135	10,392	0.76	58,163	1.80	0.89	2.28
	Indicated	986	124	3,923	0.80	25,381	1.73	0.56	1.62
	Inferred	923	113	337	0.44	12,951	0.47	1.06	2.22
Alamo Dorado	Measured	1,468	73	3,466	0.36	3,466	-	-	-
	Indicated	2,229	59	4,203	0.52	4,203	-	-	-
	Inferred	1,146	44	1,622	0.59	1,622	-	-	-
Manantial Espejo	Measured	815	100	2,618	1.02	26.7	-	-	-
	Indicated	2,154	103	7,099	0.98	67.9	-	-	-
	Inferred	1,410	103	4,685	1.09	49.4	-	-	-
San Vicente (95%)	Measured	1,048	156	5,256	-	-	0.13	-	2.25
	Indicated	569	187	3,422	-	-	0.22	-	1.81
	Inferred	513	302	4,977	-	-	0.10	-	3.61
Navidad	Measured	15,400	137	67,832	-	-	-	1.44	-
	Indicated	139,800	126	564,531	-	-	0.05	0.79	-
	Inferred	45,900	81	119,386	-	-	0.05	0.57	-
Pico Machay	Measured	4,700	-	-	0.91	137.5	-	-	-
	Indicated	5,900	-	-	0.67	127	-	-	-
	Inferred	23,900	-	-	0.58	446	-	-	-
Calcatreu	Indicated	7,995	25.7	6,606	2.63	676	-	-	-
	Inferred	3,413	16.6	1,821	2.06	226	-	-	-
TOTALS	Measured	190,678	116	710,590	-	1,182	-	-	-
	Indicated	91,631	78	229,479	-	787	-	-	-
	Inferred								