

(This is an English translation of the Japanese original)

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To whom it may concern

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Agreement in Principle to Increase Interest in
San Cristobal Silver, Zinc and Lead Mining Project in Republic of Bolivia

To follow up on the announcement made in November 11, 2008, we Sumitomo Corporation, currently a 35% shareholder of Minera San Cristobal S.A. (hereafter “MSC”) which wholly owns the titled mining project and a 35% shareholder of Apex Metals Marketing GmbH (hereafter “AMM”) which is a concentrate sales company for the project, have reached an agreement in principle with Apex Silver Mines Limited (hereafter “Apex”), currently a 65% shareholder of MSC and AMM, to continue negotiation for a definitive agreement to acquire all the shares of MSC and AMM owned by Apex along with the shareholder loan and other debts of MSC owing to Apex, for immediate cash consideration of US\$22.5 million and other consideration to be agreed.

It is contemplated that, after completion of the transaction, Apex will continue to manage the operation of MSC pursuant to a management agreement on terms to be agreed.

We will be disclosing detailed information after execution of a definitive agreement.

(Attachment)

- Summary of San Cristobal Silver, Zinc and Lead Mining Project

<Reference>

1.Summary of Project

- Ownership : Apex Silver Mines Ltd. 65%
Sumitomo Corporation 35%
- Location : Southwestern part of the Republic of Bolivia, near the Salar of Uyuni. Located at a height of 3,800–4,500 meters above sea level.
- Reserve : Ag 14kt, Zn 3.8 Mt, Pb 1.3 Mt
- Average Annual Production : Ag 525t, Zn 225kt, Pb 82kt
(Commercial Production Started from August 2007)
- Mine Life : 16 years
- Apex Silver Mines Ltd. : Established in 1993, listed in AMEX

2.Location Map

