

IN THE GRAND COURT OF THE CAYMAN ISLANDS
IN THE MATTER OF THE COMPANIES LAW (2007 REVISION)
AND IN THE MATTER OF APEX SILVER MINES LIMITED



PETITION



TO THE GRAND COURT OF THE CAYMAN ISLANDS

The Humble Petition of Apex Silver Mines Limited c/o Walkers, Walker House, PO Box 265 GT, 87 Mary Street, George Town, Grand Cayman, shows that:

1. Apex Silver Mines Limited ("the Company") was incorporated on 16 March 1996 ("the Original Incorporation Date") as an exempted company with limited liability under the Companies Law (appropriate Revision) ("the Companies Law"). The Company's articles of incorporation were amended and re-stated by Special Resolution dated 24 June 2005 ("the Amended Incorporation Date").
2. The registered office of the Company is situated at c/o Walkers, Walker House, PO Box 265 GT, 87 Mary Street, George Town, Grand Cayman.
3. The authorised share capital of the Company as of the Original Incorporation Date was US\$50,000 divided into 50,000 ordinary shares with par value of US\$1.00 each. The authorised share capital of the Company as of the Amended Incorporation Date was US\$2,000,000, divided into (i) 175,000,000 ordinary shares of a nominal or par value of US\$0.01 each, and (ii) 25,000,000 preference shares of a nominal or par value of US\$0.01 each.
4. The Company was formed to carry out mining, exploration and development.
5. The Company filed in the U.S. Bankruptcy Court for protection under Chapter 11 of Title 11 of the U.S. Bankruptcy Code on 12 January, 2009 ("the Chapter 11 proceedings"). The Chapter 11 proceedings were filed following a decision that the Company requires the protection of the Chapter 11 proceedings to allow them to consider a refinancing or re-organisation in the interests of their creditors and shareholders.

6. Upon the Chapter 11 proceedings being filed, section 362 of the U.S. Bankruptcy Code imposed an automatic stay upon creditors with the result that no action can be commenced or continued against the Company. The stay provides a period during which the Company can make arrangements for an orderly and maximised realisation of its assets, while protecting its ongoing business. During this process, the Company is regarded as a "Debtor in Possession" and its directors retain their powers to act on its behalf. The Company will seek to compromise its obligations by proposing and implementing a plan of reorganisation under the supervision of the U.S. Bankruptcy Code.
7. In the circumstances, it is in the best interests of the Company that the Company preserves and/or realises its assets, namely its notes receivable and investments in the most advantageous manner and that this will be best facilitated by filing a petition for winding up in the Cayman Islands (the place of incorporation of the Company), seeking the appointment of provisional liquidators and an injunction restraining any and all proceedings against the Company pursuant to Section 99 of the Companies Law and the inherent jurisdiction of the Court, together with the Chapter 11 proceedings.
8. The purpose of this Petition is to facilitate a reorganisation of the Company's obligations and affairs in conjunction with the Chapter 11 proceedings, with a view to maximising the value for all stakeholders.
9. The Company's main assets consist of stock in its subsidiaries, cash, property and equipment. The book value of the known assets of the Company (according to the unaudited balance sheet as at September, 2008) amount to US\$721,343,000.
10. The known liabilities of the Company (according to the unaudited balance sheet as at September, 2008) amount to US\$930,908,000.
11. The realisable value of the Company's assets is less than its known liabilities. The Company therefore believes that it is insolvent on a balance sheet basis, when accounting for its assets at a fair market value.
12. Further or alternatively, it is just and equitable that the Company should be wound up.
13. As the Company is a "Debtor in Possession" in the Chapter 11 proceedings, in which its directors retain their powers to act on its behalf, it is proposed that the directors' powers


are preserved in the Cayman proceedings insofar as such powers are necessary to be exercised in the best interests of the Company, and subject always to the scrutiny of the provisional liquidators and the supervision of this Court in conjunction with the U.S. Bankruptcy Court.

AND YOUR PETITIONER THEREFORE HUMBL Y PRAYS as follows:

1. The Company be wound up by the Court under the provisions of Part V of the Companies Law.
2. That the costs of and occasioned by the Petition be paid out of the assets of the Company on an indemnity basis.
3. That such further relief be granted as this Honourable Court deems appropriate.

NOTE: This Petition is intended to be served on the Registrar of Companies.

DATED this 13th day of January 2009



Walkers
Attorneys for the Company

Note of Hearing

This Petition having been presented to the Court on the 13 January 2009 will be heard at the Court House, George Town, Grand Cayman on the _____ at _____ o'clock in the _____ or as soon thereafter as the Petition can be heard.

This Petition is filed by Walkers, Attorneys-at-Law for the Petition, whose address for service is that of the said Attorneys-at-Law, Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9001