

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

PAN AMERICAN SILVER CORP  
Form 6-K  
May 14, 2003

=====

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

-----

FORM 6-K

REPORT OF FOREIGN ISSUER  
PURSUANT TO RULE 13a-16 OR 15d-16

UNDER

THE SECURITIES EXCHANGE ACT OF 1934

DATED MAY 13, 2003

Commission File Number 000-13727

PAN AMERICAN SILVER CORP.

-----  
(Registrant's name)

SUITE 1500, 625 HOWE STREET  
VANCOUVER, BRITISH COLUMBIA, CANADA V6C 2T6

-----  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F [ ]

Form 40-F [X]

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): [ ]

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): [ ]

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes [ ]

No [X]

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-\_\_\_\_\_

=====

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant, Pan American Silver Corp., has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 13, 2003  
PAN AMERICAN SILVER CORP.

By:  
/s/ Ross Beaty  
-----  
Ross Beaty  
Chairman and C.E.O.

[PAN AMERICAN SILVER CORP. LETTERHEAD]

Pan American will host a conference call on Tuesday May 13th at 9:00 a.m. Pacific time (12 a.m. Eastern time) to discuss the first quarter financial and operational results, give project updates, and answer questions. To listen to the call live, dial 1-416-695-5806. To listen to a playback of the call after it has ended, dial 1-416-695-5800 and enter the pass code 1415074. This option will be available for 2 weeks after the call. The conference call will also be broadcast live and archived for later playback on the Internet at <http://www.q1234.com>.

PAN AMERICAN SILVER REPORTS RECORD SILVER PRODUCTION  
IN FIRST QUARTER 2003

HIGHLIGHTS

- o Record quarterly silver production of 2.15 million ounces from Pan American's four wholly owned silver operations.
- o Acquisition of Corner Bay Silver completed and feasibility study review of Alamo Dorado silver project initiated.
- o Excellent silver and gold drilling results at Manantial Espejo property, Argentina.
- o La Colorada mine expansion on schedule and budget for July 2003 start-up.

FINANCIAL (ALL AMOUNTS ARE EXPRESSED IN US\$)

## Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

Pan American Silver Corp. (NASDAQ: PAAS; TSX: PAA; Warrants TSX: PAA\_t) reported a net loss for the first quarter of \$1.1 million (\$0.02 per share) compared to a net loss of \$1.3 million (\$0.03 per share) for the first quarter of 2002.

Consolidated silver production for the three months ended March 31, 2003 totalled 2.15 million ounces representing a four percent increase from the same period of the prior year. This increase was due to increased production from the Huaron mine and production from silver-rich pyrite stockpiles acquired late last year partially offset by lower production from the Quiruvilca mine. Zinc metal produced during the first quarter of 2003 amounted to 9,343 tonnes (2002 - 10,107 tonnes), lead production was 5,812 tonnes (2002 - 5,441 tonnes) and copper production was 767 tonnes (2002 - 669 tonnes).

Revenue for the first quarter of 2003 amounted to \$7.8 million (2002 - \$10.2 million). The decrease in revenue was due to the timing of concentrate shipments. Revenue for the first quarter of this year was generated from sales of 14,260 tonnes of zinc concentrate (2002 - 18,990 tonnes), 1,256 tonnes of lead concentrate (2002 - 4,790 tonnes) and 2,878 tonnes of copper concentrate (2002 - 2,934 tonnes). Operating costs were also lower for the first quarter of 2003 relative to 2002 because of lower shipments. The concentrate shipment delays were

1500-625 HOWE STREET, VANCOUVER, BC CANADA V6C 2T6  
TEL 604.684.1175 FAX 604.684.0147  
[www.panamericansilver.com](http://www.panamericansilver.com)

requested by certain purchasers to allow them to accumulate larger volumes and thereby lower unit shipping costs.

The average metal prices realized during the first quarter of 2003 were marginally higher than for the corresponding period of last year. The price received per ounce of silver averaged \$4.37 (2002 -- \$4.15) and for zinc the realized price per pound was \$0.36 (2002 -- \$0.36).

During the first quarter of 2003, operating activities generated cash of \$0.5 million. Investing activities consumed \$2.3 million and financing activities generated \$4.2 million. Operating cash flow resulted from an increase in cash advances received for concentrates not shipped. Investing activities consisted of spending on property plant and equipment of \$5.4 million including \$4.1 million for the La Colorada mine expansion and \$0.5 million on infrastructure and equipment at the Huaron mine. Cash of \$3.1 million was received from the acquisition of Corner Bay Silver Inc. Proceeds of \$4 million were received from the La Colorada expansion loan and repayments of \$0.4 million were made on the Huaron loan. Total debt and capital asset lease obligations outstanding at March 31, 2003 amounted to \$9.2 million of which \$1.6 million is current.

### PERU OPERATIONS

Pan American's three Peru silver operations produced a total of 1.95 million ounces of silver in the first quarter. The Huaron mine had a good quarter, producing 1.2 million ounces of silver, 5,500 tonnes of zinc and 4,400 tonnes of lead from 158,000 tonnes of ore at a total cash cost of \$3.81 per ounce of silver produced net of by product credits. The mine's 10 percent expansion, which commenced in late 2002, is nearly complete and production for 2003 is planned at 4.9 million ounces of silver. The Quiruvilca mine produced 0.6 million ounces of silver, 3,700 tonnes of zinc and 1,300 tonnes of lead in the quarter from 121,000 tonnes of ore. Quiruvilca's operating results continue to be negatively affected by low metal prices, and expected but lower-than-normal grades in the current mining areas. Total cash costs at Quiruvilca were \$5.20

## Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

per ounce of silver produced net of by product credits. The small pyrite stockpile operation near the Huaron mine produced 0.13 million ounces of silver in the quarter at a cash cost of \$2.08 per ounce.

### MEXICO OPERATIONS

At the Company's La Colorada mine, 0.2 million ounces of silver were produced in the first quarter. Operating results continue to be treated as pre-production revenue. The mine's fully financed \$20 million expansion project remains on schedule and budget for completion in early July, with forecast production of 2.2 million ounces in 2003 at a cash cost of \$3.06 per ounce of silver. In March the Company began drawing from the \$10 million project loan from the International Finance Corporation, a member of the World Bank Group, to fund remaining capital expenditures.

The highlight of the first quarter was the completion of the Company's acquisition of Corner Bay Silver and its wholly owned Alamo Dorado silver project in Sonora State. This followed approval of the transaction by shareholders in September and an agreement respecting water rights for the project from Mexican authorities in February. Pan American is now updating the

-2-

Corner Bay feasibility study and a drilling and metallurgical testing program has been initiated in order to evaluate a mill versus heap leach process for the project. This program is expected to be complete in September and will enable project financing later in the year and, subject to financing, commencement of construction. Based on Corner Bay's original feasibility study, planned production from Alamo Dorado is 6 million ounces per year at an average cash cost of \$3.25 per equivalent ounce of silver.

### EXPLORATION AND DEVELOPMENT PROJECTS

A 6,000 meter drilling program at the 50 percent owned Manantial Espejo property in Argentina concluded during the quarter, with excellent results. Planning is now in progress for an underground tunnelling and drilling program, to commence in late 2003. The recent drilling is expected to increase the current measured and indicated resource of 4,390,000 tonnes grading 264 g/t silver and 4.51g/t gold and inferred resource of 1,590,000 tonnes grading 258 g/t silver and 3.65 g/t gold. In Bolivia, silver production continued from the small scale San Vicente silver mine under lease to a Bolivian mining company. Discussions remain underway to re-initiate work that will enable a new feasibility study and ultimately expanded mine production. Finally, in Russia, the Dukat mine continued its start-up though production statistics are not yet available.

### OTHER DEVELOPMENTS

Pan American is pleased to welcome several new members to its senior operating group to better manage its strong growth. John Wright, President and Chief Operating Officer, will be stepping down in mid-year for family reasons but he will remain an active Director of the company. Geoff Burns has been appointed to fulfil his functions. Mr. Burns has had a distinguished career in the mining industry. He served in a variety of financial roles including Chief Financial Officer and Controller with a major Canadian gold mining company from 1984 to 1998 and most recently he was Chief Financial Officer of a large US silver and gold producer from 1999 to 2003. Brenda Radies has joined the company as Vice President of Corporate Relations to replace Rosie Moore. Since 1993, Ms. Radies has been with one of Canada's and the world's largest gold producers, most recently as Director of Corporate Communications. Robert Pirooz has rejoined the

## Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

Company as Vice President, Legal Affairs. Finally, Bill Faust, a mining engineer with broad experience in mine development and operations in North America and Mexico, joins the company as manager of the Alamo Dorado silver mine development project, a position he held with Corner Bay Silver.

### SILVER MARKETS

The most reliable annual compendium of silver statistics was published on May 8, 2003 by London-based GFMS on behalf of the Silver Institute. GFMS reported that the deficit between silver fabrication demand and conventional silver supply (mine production and scrap) remained very large at 67.4 million ounces. Industrial demand for silver increased in 2002, world silver mine production declined (and is likely to decline further in 2003), and overall silver demand fell by 3.5 percent, overwhelmingly due to a 28 percent slump in Indian jewellery and silverware demand. Chinese government sales were reported to have decreased to 51 million ounces from 68 million in 2002. Although GFMS increased its estimate of remaining Chinese silver stocks, it

-3-

noted that Chinese internal demand increased sharply in 2002 almost eliminating the historic surplus of Chinese mine supply. Once this surplus is eliminated, China will be a net silver consumer which is expected to result in faster depletion of remaining Chinese official silver stocks. The recent weakness of the US dollar is also a positive factor in silver market fundamentals.

- End -

Ross J. Beaty, Chairman or Tony Hawkshaw, Chief Financial Officer 604-684-1175

To view Pan American's entire first quarter release, please visit [www.panamericansilver.com/s/InvestorRelations.asp](http://www.panamericansilver.com/s/InvestorRelations.asp) or call the office for a faxed copy.

### CAUTIONARY NOTE

Some of the statements in this news release are forward-looking statements, such as estimates of future production levels, expectations regarding mine production costs, expected trends in mineral prices and statements that describe Pan American's future plans, objectives or goals. Actual results and developments may differ materially from those contemplated by these statements depending on such factors as changes in general economic conditions and financial markets, changes in prices for silver and other metals, technological and operational hazards in Pan American's mining and mine development activities, uncertainties inherent in the calculation of mineral reserves, mineral resources and metal recoveries, the timing and availability of financing, governmental and other approvals, political unrest or instability in countries where Pan American is active, labor relations and other risk factors listed from time to time in Pan American's Form 40-F.

-4-

### FINANCIAL AND OPERATIONAL HIGHLIGHTS

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

THREE MONTHS  
MARCH 31

	2003
	-----
CONSOLIDATED FINANCIAL HIGHLIGHTS (IN THOUSANDS OF US DOLLARS)	
Net income (loss)	\$ (1,104)
Earnings (loss) per share	(0.02)
Contribution from mining operations	393
Capital spending	5,436
Exploration expense	496
Cash	12,561
Working capital	\$ 3,901
CONSOLIDATED ORE MILLED & METALS RECOVERED TO CONCENTRATE	
Tonnes milled	305,669
Silver metal - ounces	2,150,052
Zinc metal - tonnes	9,343
Lead metal - tonnes	5,812
Copper metal - tonnes	767
Net smelter return per tonne milled	\$ 40.42
Cost per tonne	38.44
	-----
Margin per tonne	\$ 1.97
	=====
CONSOLIDATED COST PER OUNCE OF SILVER (NET OF BY-PRODUCT CREDITS)	
Total cash cost per ounce	\$ 4.13
Total production cost per ounce	\$ 4.60
(In thousands of US dollars)	
Direct operating costs & value of metals lost in smelting and refining	\$ 12,409
By-product credits	(4,335)
	-----
Total Cash operating costs	8,074
Depreciation, amortization & reclamation	902
	-----
Total Production costs	\$ 8,977
	=====
Ounces used in cost per ounce calculations	1,953,340
AVERAGE METAL PRICES	
Silver - London Fixing	\$ 4.67
Zinc - LME Cash Settlement per pound	\$ 0.36
Lead - LME Cash Settlement per pound	\$ 0.21
Copper - LME Cash Settlement per pound	\$ 0.75
AVERAGE PRICES REALIZED	
Silver - per ounce (note)	\$ 4.37
Zinc - per pound	\$ 0.36
Lead - per pound	\$ 0.21
Copper - per pound (note)	\$ 0.67

Note - Pan American pays a refining charge for silver and copper

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

-5-

MINE OPERATIONS HIGHLIGHTS

	THREE MONTHS MARCH 31
	----- 2003 -----
HUARON MINE	
Tonnes milled	158,040
Average silver grade - grams per tonne	264
Average zinc grade - percent	4.06%
Silver - ounces	1,199,701
Zinc - tonnes	5,502
Lead - tonnes	4,416
Copper - tonnes	265
Net smelter return per tonne	\$ 45.62
Cost per tonne	40.62
Margin per tonne	\$ 5.00 =====
Total cash cost per ounce	\$ 3.81
Total production cost per ounce	\$ 4.35
(In thousands of US dollars)	
Direct operating costs & value of metals lost in smelting and refining	\$ 7,004
By-product credits	(2,431)
Total cash operating costs	4,572
Depreciation, amortization and reclamation	647
Total production costs	\$ 5,219 =====
Ounces for cost per ounce calculations	1,199,701
QUIRUVILCA MINE	
Tonnes milled	121,345
Average silver grade - grams per tonne	183
Average zinc grade - percent	3.53%
Silver - ounces	619,754
Zinc - tonnes	3,740
Lead - tonnes	1,303
Copper - tonnes	502
Net smelter return per tonne	\$ 34.55
Cost per tonne	39.17
Loss per tonne	\$ (4.62) =====

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

Total cash cost per ounce	\$	5.20
Total production cost per ounce	\$	5.46
(In thousands of US dollars)		
Direct operating costs & value of metals lost in smelting and refining	\$	5,126
By-product credits		(1,903)
		-----
Total cash operating costs		3,223
Capital spending expensed and reclamation		164
		-----
Total production costs	\$	3,387
		=====
Ounces for cost per ounce calculations		619,754

-6-

	THREE MONTHS EN MARCH 31	
	2003	
	-----	-----
LA COLORADA MINE		
Tonnes milled	14,828	
Average silver grade - grams per tonne	512	
Silver - ounces	196,712	1
Zinc - tonnes	101	
Lead - tonnes	93	
Net smelter return per tonne	\$ --	\$
Cost per tonne	--	
	-----	-----
Loss per tonne	\$ --	\$
	=====	=====
Total cash cost per ounce	\$ --	\$
Total production cost per ounce	\$ --	\$
(In thousands of US dollars)		
Direct operating costs & value of metals lost in smelting and refining	\$ --	\$
By-product credits	--	
	-----	-----
Total cash operating costs	--	
Depreciation, amortization and reclamation	--	
	-----	-----
Total production costs	\$ --	\$
	=====	=====
Ounces for cost per ounce calculations	--	1
PYRITE STOCKPILE SALES		
Tonnes sold	11,456	
Average silver grade - grams per tonne	363	
Silver ounces	133,885	



Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

Net smelter return per tonne	\$ 30.83	\$
Cost per tonne	0.74	
	-----	---
Margin per tonne	\$ 30.09	\$
	=====	==
Total cash cost per ounce	\$ 2.08	\$
Total production cost per ounce	\$ 2.77	\$
(In thousands of US dollars)		
Value of metals lost in smelting and refining	\$ 279	\$
By-product credits	--	
	-----	---
Total cash operating costs	\$ 279	
Depreciation, amortization and reclamation	92	
	-----	---
Total production costs	371	
	=====	==
Ounces for cost per ounce calculations	133,885	

-7-

PAN AMERICAN SILVER CORP.

Consolidated Balance Sheets  
(Unaudited - in thousands of U.S. dollars)

	MARCH 31 2003	DECEMBER 31 2002
	-----	-----
CURRENT		
Cash and cash equivalents	\$ 12,561	\$ 10,185
Short-term investments	13	13
Accounts receivable	4,931	4,598
Inventories	7,593	4,637
Prepaid expenses	2,019	3,197
	-----	-----
Total Current Assets	27,117	22,630
Mineral property, plant and equipment, net	66,110	59,447
Investment and other properties (note 4)	83,048	4,193
Direct smelting ore	4,229	4,303
Other assets	4,413	4,393
	-----	-----
Total Assets	\$ 184,917	\$ 94,966
	=====	=====
LIABILITIES		
Current		
Operating line of credit	\$ --	\$ 125
Accounts payable and accrued liabilities (note 5)	14,501	15,227
Advances for metal shipments	6,228	2,158
Current portion of bank loans and capital lease	1,638	1,638
Current portion of severance indemnity and commitments	933	953

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

Current portion of deferred revenue	130	130
	-----	-----
Total Current Liabilities	23,430	20,231
Deferred revenue	1,006	923
Bank loans and capital lease (note 6)	7,535	3,942
Provision for reclamation	13,051	12,971
Provision for future income tax	19,035	--
Severance indemnities	1,521	1,407
	-----	-----
Total Liabilities	65,578	39,474
	-----	-----
SHAREHOLDERS' EQUITY		
Share capital		
Authorized:		
100,000,000 common shares of no par value		
Issued:		
December 31, 2002 - 43,883,454 common shares		
March 31, 2003 - 51,684,728 common shares	215,950	161,024
Additional paid in capital	11,117	1,092
Deficit	(107,728)	(106,624)
	-----	-----
Total Shareholders' Equity	119,339	55,492
	-----	-----
Total Liabilities and Shareholders' Equity	\$ 184,917	\$ 94,966
	=====	=====

See accompanying notes to consolidated financial statements

-8-

PAN AMERICAN SILVER CORP.

Consolidated Statements of Operations and Deficit  
(Unaudited - in thousands of U.S. dollars,  
except for shares and per share amounts)

	THREE MONTHS ENDED	
	MARCH 31,	
	2003	2002
	-----	-----
REVENUE	\$ 7,822	\$ 10,199
EXPENSES		
Operating	7,429	9,202
General and administration	401	359
Depreciation and amortization	471	1,429
Reclamation	79	198
Exploration	496	83
Interest expense	159	266

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

	----- 9,035 -----	----- 11,537 -----
Net loss from operations	(1,213)	(1,338)
Other income	109	35
	-----	-----
Net loss for the period	(1,104)	(1,303)
Deficit, beginning of period	(106,624)	(72,966)
	-----	-----
Deficit, end of period	\$ (107,728) =====	\$ (74,269) =====
Basic and fully diluted loss per share	(\$0.02)	(\$0.03)
Weighted average shares outstanding	50,597,399	38,603,987

See accompanying notes to consolidated financial statements

-9-

PAN AMERICAN SILVER CORP.

Consolidated Statements of Cash Flows - Direct Method  
(Unaudited - in thousands of U.S. dollars)

	THREE MONTHS ENDED MARCH 31,	
	2003	2002
	-----	-----
OPERATING ACTIVITIES		
Sales proceeds	\$ 11,958	\$ 12,380
Hedging activities	164	313
Interest paid	(70)	(266)
Other income and expenses	19	36
Products and services purchased	(10,585)	(10,406)
Exploration	(505)	(77)
General and administration	(504)	(348)
	-----	-----
	477	1,632
	-----	-----
FINANCING ACTIVITIES		
Shares issued for cash	723	17,251
Share issue costs	--	(792)
Proceeds from line of credit	--	110
Repayment of line of credit	(125)	--
Proceeds from bank loans	4,000	--
Repayment of bank loans (note 5)	(407)	(258)
	-----	-----
	4,191	16,311
	-----	-----

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(5,436)	(710)
Investment and other property expenditures	100	(604)
Acquisition of cash of subsidiary	3,063	--
Other	(19)	(39)
	-----	-----
	(2,292)	(1,353)
	-----	-----
Increase in cash and cash equivalents during the period	2,376	16,590
Cash and cash equivalents, beginning of period	10,185	3,331
	-----	-----
Cash and cash equivalents, end of period	\$ 12,561	\$ 19,921
	=====	=====
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS		
Shares issued for acquisition of mineral property (note 4)	\$ --	\$ 1,250
Shares issued for acquisition of subsidiary (note 2)	64,228	--
	-----	-----
	\$ 64,228	\$ 1,250
	=====	=====

See accompanying notes to consolidated financial statements

-10-

PAN AMERICAN SILVER CORP.

Consolidated Statements of Cash Flows - Indirect Method  
(Unaudited - in thousands of U.S. dollars)

	THREE MONTHS ENDED	
	MARCH 31,	
	2003	2002
	-----	-----
OPERATING ACTIVITIES		
Net loss for the period	\$ (1,104)	\$ (1,303)
Items not involving cash		
Depreciation and amortization	471	1,429
Reclamation provision	79	198
Operating cost provisions	352	(260)
Changes in non-cash operating working capital items	679	1,568
	-----	-----
Cash provided by operations	477	1,632
	-----	-----
FINANCING ACTIVITIES		
Shares issued for cash	723	17,189
Share issue costs	--	(730)
Proceeds from line of credit	--	110
Repayment of line of credit	(125)	--
Proceeds from bank loans	4,000	--
Repayment of bank loans	(407)	(258)

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

	-----	-----
	4,191	16,311
	-----	-----
INVESTING ACTIVITIES		
Property, plant and equipment expenditures	(4,415)	(710)
Mineral property expenditures	100	(743)
Changes in non-cash working capital items	(1,021)	139
Acquisition of cash of subsidiary	3,063	--
Other	(19)	(39)
	-----	-----
	(2,292)	(1,353)
	-----	-----
Increase in cash and cash equivalents during the period	2,376	16,590
Cash and cash equivalents, beginning of period	10,185	3,331
	-----	-----
Cash and cash equivalents, end of period	\$12,561	\$19,921
	=====	=====
SUPPLEMENTAL DISCLOSURE OF NON-CASH TRANSACTIONS		
Shares issued for acquisition of mineral property (note 4)	\$ --	\$ 1,250
Shares issued for acquisition of subsidiary (note 2)	64,228	-----
	-----	-----
	\$64,228	\$ 1,250
	=====	=====

See accompanying notes to consolidated financial statements

-11-

PAN AMERICAN SILVER CORP.

Consolidated Statements of Shareholders' Equity  
For three months ended March 31, 2003  
(in thousands of US dollars, except for shares)

	COMMON SHARES		ADDITIONAL	
	-----	-----	PAID IN	-----
	SHARES	AMOUNT	CAPITAL	DEFICIT
	-----	-----	-----	-----
Balance, December 31, 2001	37,628,234	\$130,723	\$ 1,120	\$ (72,9
Exercise of stock options	1,445,400	6,102	--	
Shares issued for cash, net of share issue costs	3,450,000	15,599	--	
Issued on acquisition of Manantial Espejo	231,511	1,250	--	
Issued on acquisition of royalty	390,117	3,000	--	
Issued as compensation payable	69,000	253	--	
Issued to purchase silver stockpiles	636,942	4,000	--	
Exercise of shares purchase warrants	32,250	97	--	
Foreign exchange translation adjustment	--	--	(28)	
Net loss for the year	--	--	--	(33,6
	-----	-----	-----	-----

Edgar Filing: PAN AMERICAN SILVER CORP - Form 6-K

Balance, December 31, 2002	43,883,454	161,024	1,092	(106,6
Exercise of stock options	164,615	723	--	
Issued on acquisition of Corner Bay	7,636,659	54,203	--	
Fair value of stock options granted	--	--	1,136	
Fair value of warrants granted	--	--	8,889	
Net loss for the quarter	--	--	--	(1,1
	-----	-----	-----	-----
Balance, March 31, 2003	51,684,728	\$215,950	\$11,117	\$ (107,7
	=====	=====	=====	=====