

**SAMEX****S A M E X M I N I N G C O R P .**

**TOLL FREE:** 1-800-828-1488  
**E-MAIL:** samex@direct.ca  
**WEB SITE:** www.samex.com  
**TRADING SYMBOLS:**  
 SXG - CDNX  
 SMXMF - NASD OTC:BB

**CORPORATE OFFICE**  
 301 - 32920 Ventura Ave.  
 Abbotsford, BC V2S 6J3  
 CANADA  
 TEL: (604) 870-9920  
 FAX: (604) 870-9930

**SOUTH AMERICAN OFFICE**  
 Avenida Fuerza Naval #42  
 Esquina Calle 23, Calacoto  
 La Paz - BOLIVIA  
 TEL: (591) 2-791505  
 FAX: (591) 812-5357

**NEWS RELEASE - No. 7-01****May 1, 2001**

The following are excerpts from the Company's recently filed annual report for the year ended November 30, 2000.

**REPORT TO THE SHAREHOLDERS**

**Gold**, silver, copper and zinc remained the focus of SAMEX's exploration during 2000 as the Company conducted work programs on its mineral prospects in Bolivia and reconnaissance exploration in Chile and Argentina. Expenditures on the Company's mineral properties amounted to \$1,280,292 as road-building, trenching, mapping, sampling, geochemistry, geophysics and drilling was conducted to advance and test the properties.

SAMEX raised \$476,460 through two private placement financings completed during the year. Additional exploration funding was also secured through option/joint venture agreements on the El Desierto, Sora Sora, and Eskapa properties.

**EL DESIERTO Property** - In January 2000, exploration commenced on the El Desierto property pursuant to a 1999 option agreement whereby SAMEX granted International Chalice Resources ("Chalice") the right to earn up to a 35% joint venture interest in the El Desierto property by funding up to US \$500,000 exploration. Exploration was focused on delineating targets for bulk-tonnage, epithermal gold ore bodies and for porphyry copper deposits.

The El Desierto property covers a trend of eroded stratovolcanoes and range-front fault structures in Bolivia adjacent to the Chilean border. The prospects are situated in a geologic belt extending through Peru, Chile and Argentina that is renowned for acid-sulfate gold-silver-copper deposits and some of the world's largest porphyry copper mines.

The SAMEX/Chalice exploration involved road construction, geologic mapping, trenching, sampling, geochemical analysis and geophysical surveys on a portion of the property. After two phases of exploration, SAMEX/Chalice decided the results on this portion of the property were not sufficient to warrant a drill program at the time. No immediate exploration is planned for the property but Chalice agreed to fund annual property holding costs and SAMEX granted Chalice a three year extension on their option to earn an interest in the property. The property has been reduced in size, but continues to cover what are believed to be the most promising areas for further evaluation. Future exploration on the El Desierto property will be subject to a joint decision by SAMEX and Chalice.

**SORA SORA Property** - In February 2000, SAMEX granted Chalice an option to earn a 35% joint venture interest in the Sora Sora property in Bolivia by expending US \$200,000 on the property. In March, SAMEX/Chalice began to explore the property for two types of precious metal deposits; bulk-tonnage, hot springs-type precious metal mineralization at shallow depths beneath extensive outcrops of sinter and veins; and high-grade bonanza veins and vein-swarms at greater depth beneath the ancient hot springs system.

Seven core holes (528 meters total) were drilled to test below the sinter and the vein swarms which contained anomalous arsenic, antimony and mercury, typical pathfinder metals found above gold-silver mineralization. However, all the holes encountered a red mud and cobble conglomerate which cut off the down-dip extension of the vein swarms and sinter at depth. This suggested the outcropping sinter and vein swarms had been displaced by detachment faults and transported a distance from their original source. IP geophysical surveys, electrical soundings and extensive geologic mapping was conducted to search for the concealed source, but the feeder zone was not

*The Canadian Venture Exchange has neither approved nor disapproved of the information contained herein.*

**S A M E X M I N I N G C O R P .**

**SAMEX**
**S A M E X M I N I N G C O R P .**

**TOLL FREE:** 1-800-828-1488  
**E-MAIL:** samex@direct.ca  
**WEB SITE:** www.samex.com  
**TRADING SYMBOLS:**  
 SXG - CDNX  
 SMXMF - NASD OTC:BB

**CORPORATE OFFICE**  
 301 - 32920 Ventura Ave.  
 Abbotsford, BC V2S 6J3  
 CANADA  
 TEL: (604) 870-9920  
 FAX: (604) 870-9930

**SOUTH AMERICAN OFFICE**  
 Avenida Fuerza Naval #42  
 Esquina Calle 23, Calacoto  
 La Paz - BOLIVIA  
 TEL: (591) 2-791505  
 FAX: (591) 812-5357

located. SAMEX and Chalice decided that no further exploration was warranted on the Sora Sora property and the property was dropped subsequent to the year end.

**ESKAPA Property** - In August, Corporation Minera de Bolivia (Comibol) dropped its legal action against the Eskapa property. SAMEX advanced exploration on the Breccia Body precious metal target and the Oxide Copper target at Eskapa with road building, trenching, rock-chip sampling and geochemical analysis.

In November, SAMEX completed an agreement granting International Chalice Resources the right to earn up to a 40% joint venture interest in mineral operations on the Eskapa property by making option payments/exploration funding totaling US \$500,000. Chalice has advanced the first US \$250,000 to earn a 25% interest, and has the option to earn a further 15% interest by paying an additional US \$250,000.

Exploration to-date by SAMEX and Chalice includes geologic mapping, sampling, 20 line-kilometers of IP geophysical surveys over the breccia zones and the copper target area and 684 meters of diamond drilling in three holes. Two of the holes were drilled in the oxide copper target, but the grades and widths of copper mineralization intersected were not sufficient to warrant further exploration of the copper target at this time. One hole was drilled in the breccia body target to test a geophysical anomaly, but no significant precious metal mineralization was encountered. Prospecting has revealed zones of strong silicification and brecciation on surface within other parts of the breccia body target area that contain anomalous amounts of the precious metal pathfinder elements, mercury, antimony and arsenic. Up to eight targets remain to be tested within the Breccia Body Zone, where precious metal ore-bodies may be concealed. A decision by SAMEX and Chalice concerning further exploration is pending the compilation and evaluation of exploration data.

**WARA WARA Property** - This zinc, silver, lead, copper prospect was advanced during the year with further sampling and mapping. The property is highly prospective for the occurrence of sedex or replacement-style ore bodies which form along stratigraphic horizons. A preliminary geophysical survey has defined an open-ended chargeability anomaly consistent with the size of a bulk-tonnage sediment-hosted target.

In October and November, SAMEX conducted reconnaissance exploration for sedex and replacement-style zinc ore bodies in a prospective geologic belt between the Wara Wara property and the Aguilar and Esperanza zinc mines in northern Argentina. SAMEX is seeking financing for the exploration drilling of the Wara Wara prospect and other zinc replacement/sedex targets that may be generated or acquired within this region.

**WALTER Property** - The evaluation of vein material by a Bolivian mineral processing group during the year did not result in a purchase or production proposal for the property. SAMEX has maintained the 4,710 hectare Walter prospect and will continue to seek either a buyer or a joint venture partner to further explore and exploit the Walter property.

**YARETANI Property** - The Company completed a drilling program on the Yaretani property in 1996 and continues to maintain the property while awaiting higher metal prices and funding for further exploration. Prospects for economic gold/silver mineralization remain to be fully tested.

**SANTA ISABEL Property** - Negotiations are continuing with the new management of Comibol to extend the term of the Comibol agreement whereby SAMEX can maintain its rights to the Goya/El Bonete concessions which comprise the Santa Isabel Property.

*The Canadian Venture Exchange has neither approved nor disapproved of the information contained herein.*

**S A M E X M I N I N G C O R P .**

**SAMEX**
**S A M E X M I N I N G C O R P.**

**TOLL FREE:** 1-800-828-1488  
**E-MAIL:** samex@direct.ca  
**WEB SITE:** www.samex.com  
**TRADING SYMBOLS:**  
 SXG - CDNX  
 SMXMF - NASD OTC:BB

**CORPORATE OFFICE**  
 301 - 32920 Ventura Ave.  
 Abbotsford, BC V2S 6J3  
 CANADA  
 TEL: (604) 870-9920  
 FAX: (604) 870-9930

**SOUTH AMERICAN OFFICE**  
 Avenida Fuerza Naval #42  
 Esquina Calle 23, Calacoto  
 La Paz - BOLIVIA  
 TEL: (591) 2-791505  
 FAX: (591) 812-5357

**AGUA DE CASTILLA Property** - SAMEX drilled the Agua de Castilla property in 1998 but no significant silver or gold mineralization was encountered. No additional information has come to light since that time to warrant further exploration or expenditures on the property. As a result, the Company dropped the property subsequent to the year end.

**NASD OTC: Bulletin Board** - SAMEX is now quoted on the NASD OTC: Bulletin Board market under the trading symbol SMXMF. International investors can now access company trading information expressed in U.S. Dollars. SAMEX is pleased with this opportunity to enhance the exposure of the Company's shares. The Company's market-maker is T.R. Winston & Company (TRWN) of Bedminster, NJ.

For more details on SAMEX's activities during 2000, see the Company's 2000 Annual Report, which can be viewed in "PDF" format in the Company Profile section of the SEDAR web site - [www.sedar.com](http://www.sedar.com).

**Is mineral exploration worthwhile** considering the depressed metal prices of the past several years? Should a company continue to explore for gold and silver when popular opinion has rejected these metals as a "store of wealth" in favour of stocks, bonds and paper currencies?

**GOLD IS PRECIOUS** - Precious metals have been the standard of real value for many centuries. SAMEX is motivated by a strong conviction that gold and silver are valuable "hard assets" particularly during times when confidence in paper investments is shaken. SAMEX has survived the boom and bust of the technology bubble and management plans to continue the business of exploring for precious metals and other valuable resources in the earth.

The Board of Directors would like to express sincere thanks to our faithful shareholders who have supported and financed SAMEX through prolonged, difficult market conditions for our industry. We deeply appreciate your patience and encouragement as we continue the search for economic mineral deposits.

## MANAGEMENT DISCUSSION & ANALYSIS OF FINANCIAL STATEMENTS

The following discussion should be read in conjunction with the consolidated financial statements and related notes.

During the fiscal period ended November 30, 2000, the Company's activities consisted principally of exploration on its mineral properties in Bolivia, as well as evaluating other potential mineral properties and financing activities.

Mineral interests and exploration costs for the period ending November 30, 2000 totaled \$1,280,292 compared to \$1,198,943 in 1999.

The Company does not have any mineral properties in production and, therefore, did not generate any material revenue from operations during the period ended November 30, 2000. Annual losses over past years are a reflection

of the Company's ongoing expenditures on its mineral properties which are all currently in the exploration stage. The Company realized a net loss of \$6,330,313 for the year ended November 30, 2000 or \$0.19 per share compared to a net loss in 1999 of \$1,009,258 or \$0.04 per share. The net loss for 2000 was unusually large in comparison to

losses of previous years, due to \$5,439,359 of Mineral Interests and Deferred Exploration Costs written off resulting from inactivity on the El Desierto Property ((\$5,601), the Santa Isabel Property (\$2,113,801), the Walter

*The Canadian Venture Exchange has neither approved nor disapproved of the information contained herein.*

**S A M E X M I N I N G C O R P.**

**SAMEX****S A M E X M I N I N G C O R P.**

**TOLL FREE:** 1-800-828-1488  
**E-MAIL:** samex@direct.ca  
**WEB SITE:** www.samex.com  
**TRADING SYMBOLS:**  
 SXG - CDNX  
 SMXMF - NASD OTC:BB

**CORPORATE OFFICE**  
 301 - 32920 Ventura Ave.  
 Abbotsford, BC V2S 6J3  
 CANADA  
 TEL: (604) 870-9920  
 FAX: (604) 870-9930

**SOUTH AMERICAN OFFICE**  
 Avenida Fuerza Naval #42  
 Esquina Calle 23, Calacoto  
 La Paz - BOLIVIA  
 TEL: (591) 2-791505  
 FAX: (591) 812-5357

Property (\$1,717,486), the Yaretani Property (\$817,156); and due to the dropping of the Agua de Castilla Property (\$326,970), the Sora Sora Property (\$423,040), and the Panizos Property (\$35,305). As a result, the Company's assets categorized in the financial statements as "Mineral Interests and Deferred Exploration Costs" decreased to \$1,351,097 at November 30, 2000 from \$6,698,153 at November 30, 1999. The amount of cash on hand at the end of fiscal 2000 was \$17,412 as compared to \$142,638 in 1999. The Company had 17 employees during fiscal 2000. A \$260,817 portion of the salaries paid to employees, was paid to employees that are also directors or officers of the company.

Since the Company has no material source of operating revenue, it has relied in part on its ability to raise capital from the sale of its securities in order to fund the ongoing exploration of its mineral properties. Additional exploration funding was also secured through option/joint venture agreements on the El Desierto Property, the Sora Sora Property, and the Eskapa Property as described above in the Report To The Shareholders. During the fiscal year, the market for securities of companies engaged in mineral exploration remained soft, due in part to the depressed price of precious metals and other commodities. SAMEX raised a total of \$476,460 through two private placements during fiscal 2000 which is significantly lower than the \$1,715,000 raised by private placements in fiscal 1999. Details of the two private placements completed during 2000 are as follows:

Private Placement #20 - April 20, 2000, SAMEX completed a private placement of 750,000 units at a price of \$0.20 per unit for total proceeds of \$150,000. The intended use of proceeds are: \$20,000 for exploration on the Company's mineral properties in Bolivia, \$102,000 for outstanding accounts payable, and \$28,000 for general working capital.

Private Placement #21 - August 9, 2000, SAMEX completed a private placement of 2,176,400 units at a price of \$0.15 per unit for total proceeds of \$326,460. The intended use of proceeds are: \$100,000 for exploration on the Company's mineral properties in Bolivia, \$100,000 for outstanding current obligations, and \$126,460 for general working capital.

Use of proceeds - In relation to the \$476,460 raised through the two private placements, SAMEX disclosed that the intended use of proceeds was \$120,000 for exploration on the Company's mineral exploration properties and the balance for general working capital and outstanding obligations. This was more than fulfilled as actual expenditures on the Company's mineral exploration properties during fiscal 2000 was \$1,280,292. By comparison, during fiscal 1999, SAMEX raised a total of \$1,715,000 through private placements. SAMEX disclosed that the intended use of proceeds was: \$790,000 to be used for expenditures on the Company's mineral exploration properties, with the balance to be used for general working capital. Actual expenditures on the Company's mineral exploration properties during fiscal 1999 was \$1,198,943 which also more than fulfilled the disclosed use of proceeds of \$790,000.

Working Capital Deficit - Due to the working capital deficit and net loss, the continuation of the Company is dependent upon its ability to attain profitable operations and generate cash flow therefrom and/or to raise equity capital through the sale of its securities, or secure additional exploration funding through option or joint venture agreements on its mineral properties; or through the sale of capital assets or mineral properties. In order to obtain financing sufficient to continue operations, the Company is continuing to seek private placement funding. As noted in the Report To The Shareholders, the Company is also seeking joint venture partners and/or exploration funding for the Wara Wara, Walter, and Yaretani Properties.

In March 2001, the Company began pursuing an opportunity to generate cash flow related to natural gas production utilizing enhanced recovery technology (see News Release No.6-01 dated March 19, 2001). SAMEX signed a "letter of intent" with Enlight Energy Corp. ("Enlight") for the purchase, installation and operation of F-3 "Texas Tornado" liquid ring gas compressors. The F-3 compressors have been effective in enhancing and

*The Canadian Venture Exchange has neither approved nor disapproved of the information contained herein.*

**S A M E X M I N I N G C O R P.**

**SAMEX****S A M E X M I N I N G C O R P .**

**TOLL FREE:** 1-800-828-1488  
**E-MAIL:** samex@direct.ca  
**WEB SITE:** www.samex.com  
**TRADING SYMBOLS:**  
SXG - CDNX  
SMXMF - NASD OTC:BB

**CORPORATE OFFICE**  
301 - 32920 Ventura Ave.  
Abbotsford, BC V2S 6J3  
CANADA  
TEL: (604) 870-9920  
FAX: (604) 870-9930

**SOUTH AMERICAN OFFICE**  
Avenida Fuerza Naval #42  
Esquina Calle 23, Calacoto  
La Paz - BOLIVIA  
TEL: (591) 2-791505  
FAX: (591) 812-5357

increasing the recovery of natural gas from marginal or low pressure wells that may be nearing depletion under conventional recovery methods. Pursuant to the letter of intent, Enlight would install and operate the compressors on existing wells identified as prospective for this technology. Production net revenue would be distributed monthly, 50% to Enlight and 50% to SAMEX. The letter of intent is subject to SAMEX securing a minimum \$100,000 CDN private placement funding, the signing of formal agreements and regulatory acceptance. By partnering with Enlight, SAMEX could take advantage of the new technology thereby capitalizing on the current high demand for natural gas. The objective of this energy project is to create a potential cash-flow to supplement the Company's main focus of mineral exploration.

The complete annual report and audited financial statements can be viewed in "PDF" format in the Company Profile section of the SEDAR web site - [www.sedar.com](http://www.sedar.com).

"Jeffrey Dahl,"  
Vice Chairman

This News Release includes certain "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Without limitation, statements regarding potential mineralization and resources, exploration results, and future plans and objectives of the Company are forward-looking statements that involve various risks. Actual results could differ materially from those projected as a result of the following factors, among others: risks inherent in mineral exploration; risks associated with development, construction and mining operations; the uncertainty of future profitability and uncertainty of access to additional capital.

*The Canadian Venture Exchange has neither approved nor disapproved of the information contained herein.*

**S A M E X M I N I N G C O R P .**