

**CEO  
CFO**



International Silver, Inc.

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**With Silver Becoming a Hedge Against the Weakening U.S. Dollar and Other Factors, International Silver, Inc. is in The Right Market at The Right Time Exploring and Developing their Silver Play in the Pioche Mining District of Southeastern Nevada**

**Resources  
Precious Metals  
(ISLV-OTC: BB)**

**International Silver, Inc.**

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**H. Roy Shipes  
Chairman, President and CEO**

**BIO:**

Mr. H. Roy Shipes, President, CEO and Chairman, has over 30 years experience in the mining industry in senior management positions with companies around the world. He has worked extensively in copper, zinc and precious metals, as well as engineering, construction and project development. Positions held include Vice President and General Manager of Southern Peru Copper Company, General Manager and Chief Executive Officer of Ok Tedi Mining Limited, founder and President of American Pacific Mining, Breakwater Resources, Transoceanic Trading Company, Arimetco International, Western States Engineering, Western Gold Resources, Western Chemicals and American International Trading Company.

**Company Profile:**

International Silver, Inc. was originally incorporated in 1992 as ARX Engineering. In 2006, the shareholders and management of the company determined that the primary business of the company should be changed to the exploration and development of mining properties. In June of 2006, the name of the company was

changed to International Silver, Inc. to reflect the new business plan of the company. Since then, management has put together an impressive collection of exploration properties, including several past producing mines.

The primary assets of the company are its:

Calico Silver Project, which consists of 52 unpatented lode mining claims encompassing 1,304 acres and hosts three past producing silver mines; Silverado; Leviathan; and Silver Bow.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Shipes, you have a long history in the industry, why International Silver for you today?

**Mr. Shipes:** International Silver is shaping up as a really interesting silver play. We are focusing primarily in the Pioche mining district of Lincoln County in southeastern Nevada. It is an old silver mining camp. Right now because of weakness in the U.S. dollar and other factors, investment as a hedge against falling currency value, silver has become a very interesting commodity to own. That would be a short answer, and that is why we are doing it.

**CEOCFO:** What do you like particularly about your Calico property?

**Mr. Shipes:** Calico is a property in San Bernardino County, California, near Barstow. It is a really interesting high-grade silver area. There are some mega projects in the area. The Leviathan Mine has a known resource of about 2.5 million tons of very high-grade barite silver ore. We need to

get in and do drilling on it, but the Calico district is one of the more prolific silver districts in the United States. There are only a few of them and this was one, so it is a very good area to be doing exploration.

**CEOCFO:** Will you be working on the Pioche first?

**Mr. Shipes:** We will probably focus on Pioche first, because it is a much bigger play. The silver occurs with zinc, lead, gold, and manganese, so it is a poly metallic ore. It is a series of beds that were created millions of years ago and they have been moved around with tectonic upheavals in the western part of the United States. The beds vary from a hundred or so feet wide up to as much as 1,800 feet wide. The oxidized portion of these beds was ignored when they were mining. It does not float readily; however the zinc does in fact leach readily. Therefore, you can use the more modern solvent extraction, electro-winning to produce electro-won zinc, just with a simple acid leach followed by solvent extraction and electro-winning. When you do the acid leach it converts the lead to lead sulfate, which is insoluble and is the collector of the precious metals. Silver and gold go along with lead and then it is a question of leaching the precious metals out of the lead concentrate.

**CEOCFO:** What is happening on the ground today?

**Mr. Shipes:** We are still putting the district together. We have acquired options on two properties, the Prince Mine, and the historical Pan American Mine. We have one more property we are attempting to acquire there and then we will have tied the entire dis-

trict together. We are right now doing geophysical and geochemical surveys, getting ready to begin drilling on the Prince ore body. We are looking for an open pit ore body in the range of 15 million tons or so with about 2.5 ounces of silver per ton; something over 30 million ounces of silver. We think we have a high probability. We know where two of the main beds intersect and we think it will occur in that area. It has been up for us to within 10 feet of the surface of the ground.

**CEOCFO:** What is the financial picture for International Silver today?

**Mr. Shipes:** We are just in the process of doing a private placement of approximately \$4.5 million for exploration and acquisitions. We are going out to the market as we speak with a memorandum and everything is complete. Then the next thing is to complete the last acquisition and then do a larger IPO on the company.

**CEOCFO:** Are you still involved in Mexico?

**Mr. Shipes:** We have four properties in Mexico, but frankly, I am a little bit nervous about going down there. Most of Sonora has become, as you know a little bit questionable as to safety.

**CEOCFO:** You have plenty to work with here in the United States!

**Mr. Shipes:** After having worked most of my life in Latin America, I really have come to the conclusion that one of the few stable places to work are the United States and Canada. We had another company that has a smelter in Bolivia, which essentially is being nationalized by the government. I had shares in another company that was in Ecuador, which is just as bad a basket case, Venezuela has collapsed. I am just not real comfortable in Latin America anymore. Mexico is a great place to be except personal safety is a concern. We are not doing anything in Mexico; we are still holding on to our property and we will go back. They are very good properties, very high-grade ore, but we have to know that we are not

going to have our heads mailed back to our wives in a box before we go back.

**CEOCFO:** Are there any newer techniques or technologies that are you able to apply?

**Mr. Shipes:** We own Western States Engineering, which has done a tremendous amount of work in the area of solvent extraction and electro-winning to recover metals, primarily in copper, but there are real good advances in zinc as well. We think that the Pioche district is ideal for this technology application. There are almost no oxidized zinc ore bodies around. Pioche is one of the few that has major reserves where the ore could just be simply leached with

**We think the future looks very bright. It is not as if it is Greenfield exploration. These are historic mines that were run up until the 1960's and they have known reserves. There is proven developed reserves in each one of these mines, so the risk is a bit lower. There is a complete mill ready to turn on there, with 2000 tons per day processing capacity. We will have to add the solvent extraction electro-winning plants, but they are very cheap. International Silver owns Western States Engineering, so it has its own in-house engineering capability and can develop the plants very cheap. We have built many of these plants around the southwestern United States, so the construction risk is low. - H. Roy Shipes**

acid. Then you mix that with an organic solvent and it extracts the metal. You strip it with strong acid and it goes to electro-winning to make electro-won zinc, or copper, or whatever the metal being treated is. Because the solvents are regenerated in the process, it is a very cheap way to process metals. When you smelt zinc concentrate, sulfide concentrates, typically the smelter will keep about 30% of the value of your concentrates between smelting and payables. This way you get almost 100% of the contained zinc to your account. It is not only cheaper to do; it is by far higher payable on it. Obviously, we are after the silver, but if we can cover all of our operating costs and make a profit with just the zinc, the by-product, then it makes us producing silver literally

at zero cost. That is very attractive for any company and that is what we are focused on right now.

**CEOCFO:** In closing, why should potential investors choose International Silver?

**Mr. Shipes:** We have a fairly modest numbers of shares out, 28 million shares. It is currently trading at around \$0.60 so it is at the bottom of what will be its curve. We believe that with just Pioche, when we are in full production, we can generate close to \$1 per share earnings just on what we are looking at now with nothing else. Therefore, we think the future looks very bright. It is not as if it is Greenfield exploration. These are historic mines that were run up until the 1960's and they have known reserves. There is proven developed reserves in each one of these mines, so the risk is a bit lower. There is a complete mill ready to turn on there, with 2000 tons per day processing capacity. We will have to add the solvent extraction electro-winning plants, but they are very cheap. International Silver owns Western States Engineering, so it has its own in-house engineering capability and can develop the plants very cheap. We have built many of these plants around the southwestern United States,

so the construction risk is low. The ore grades in the Pioche area, there are multiples of these beds that we were referring to previously and the grade runs almost exactly the same in all of these beds. So with manganese the ore value is well over \$200 per ton, and we think we can produce it for about \$50. The Pan American mine is a bulk tonnage mine, so you have a very low mining cost. So yes, it is good return, high probability of success because the ore is there. The grades are there; it has been drilled over and over and over. We are going to do some more on it because we want to increase the reserve, but as value per share it is extremely high.