

SILVER WHEATON JUNE QTR 09: BOOST IN SILVER PRICE INCREASES MARGINS

	Jun Qtr	Mar Qtr	Change
Operational			
Off Take (000' oz Ag_Eq)*	3,163	3,158	0%
Average Silver Price (US\$/oz)	14.04	11.90	18%
Cash Operating Cost (US\$/oz)	3.99	3.97	1%
Development Cost (US\$/oz)	-	-	
Total Cash Cost (US\$/oz)	3.99	3.97	1%
Gross Margin (US\$/oz)	10.05	7.93	27%
Investment Activities			
Capital Expenditure (US\$/oz) ^	0.28	0.41	
Exploration/Evaluation (US\$/oz)	-	-	
Total Investment (US\$/oz)	0.28	0.41	
Corporate			
Net Finance Cost (Revenue) (US\$/oz) ^	-	-	
General Administration (US\$/oz)	1.14	0.86	
Total Corporate Costs (US\$/oz)	1.14	0.86	-32%
Cash Surplus (Deficit) (US\$/oz)	8.63	6.66	30%
Balance Sheet			
Cash Balance (US\$m)	48.6	26.7	82%
Marketable Investments (US\$m)	32.7	27.5	19%
Interest Bearing Loans (US\$m)	150.0	157.2	-5%
Hedging Liability (US\$m)	-	-	
Share Capital			
Shares Outstanding (m)	311.4	287.5	-8%
Insider Holdings (%)	0.19%	0.21%	-8%
Share Price (C\$) (End of Qtr)	9.66	10.35	-7%

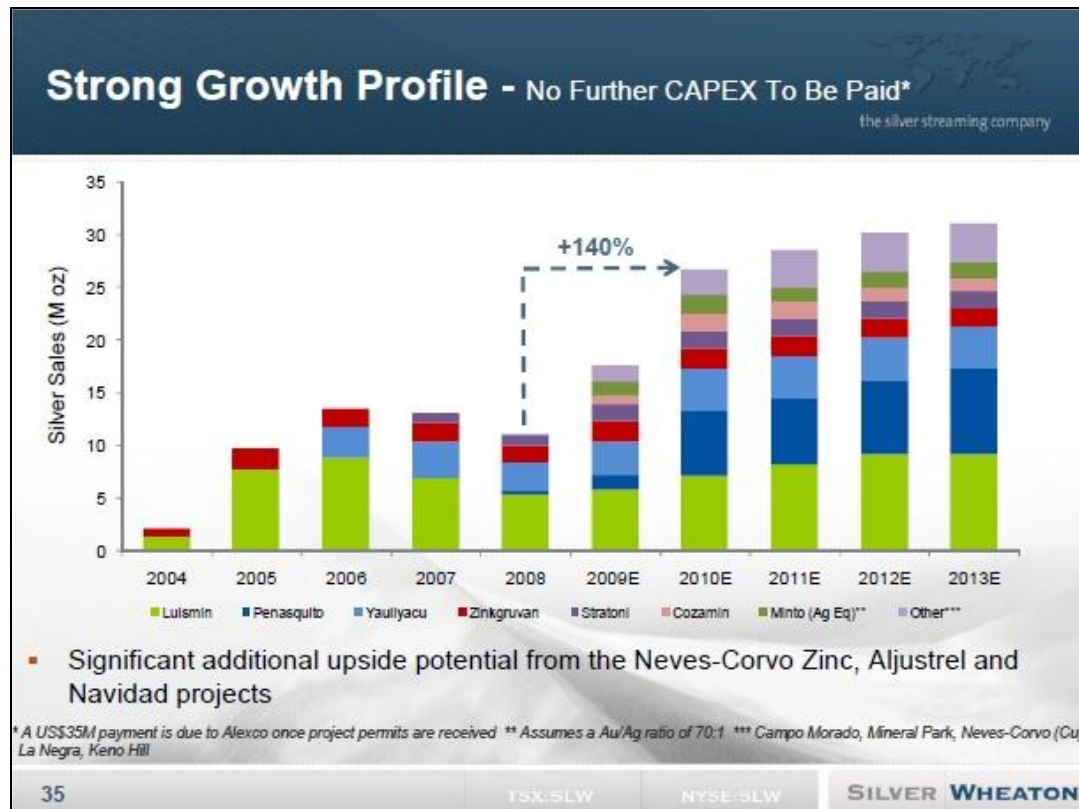
Operational

- Silver sales remained fairly steady during the quarter despite record attributable production of 4 million silver equivalent oz. Approximately 1 million silver equivalent oz were not sold due primarily to the timing of shipments. These sales will be made over the remainder of 2009. The details of sales are displayed in the table below. Noticeable additions include 213,000 oz from Cozamin and 223,500 silver equivalent oz from Minto courtesy of the Silverstone acquisition.

Sales by Project

Project	Jun Qtr	Mar Qtr	Variance
Luisman	1321	1403	-6%
Zinkgruvan	469	451	4%
Yauliyacu	546	743	-27%
Stratoni	-5	353	-101%
Penasquito	130	135	-4%
Campo Morado	92	43	114%
Minto (Ag eq)	223.5	0	
Cozamin	213	0	
Other	173	30	477%
Total	3,163	3,158	0%

- On Jul 13, 2009, Goldcorp announced the completion of construction of the first Sulphide process line at their Peñasquito mine in Mexico. Commissioning work is advancing on schedule. Production and shipment of first concentrates are targeted for the second half of 2009. This will lead to significant increases in silver production. See the growth profile chart below to get a sense of the contribution.



Source: Silver Wheaton Presentation May 21, 2009.

- The average silver price received during the quarter increased 18% to \$14.04 which increased gross margins 27% to US\$10.05/oz.

Investment

- Lower than in the previous quarter and represents interest on loans associated with the purchase of 25% of the silver from Peñasquito. One of the major benefits of Silver Wheaton's silver stream arrangement is the savings in ongoing capital costs usually associated with producing assets. For other major silver mining companies, this can add from anywhere between US\$1.00 - US\$2.00/oz.

Corporate

- Administration was marginally higher than the previous quarter at US\$1.14/oz.

Cash Surplus/Deficit

- The overall cash surplus rose 30% to US\$8.63/oz reflecting the higher average sales price of silver.

Balance Sheet

- Cash increased 82% to US\$48.6m and debt declined 5% to US\$150m as strong cash flow continued to strengthen the balance sheet.
- The value of Silver Wheaton's marketable investments increased 19% to US\$32.7m.

Share Capital

- 23.4m shares were issued during the quarter for the purchase of Silverstone Resources.
- Overall insider ownership of shares remained flat. 100,000 shares were issued to directors via the exercising of options at an average price of C\$5.00 but were consequently sold in the market.
- The share price remained fairly flat during the quarter declining marginally.

Closing Comments

Silver Wheaton's sales had a steady June quarter, with improvements in profitability largely driven by higher silver prices. Going forward, Silver Wheaton can conceivably double their present sales levels with effectively no further capital expenditure. This will be largely driven by the Peñasquito mine in Mexico which continues to ramp up.

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