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

FORM 40-F

(Check One)

[ ] Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934
or
[X] Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended **December 31, 2014**

Commission File Number **001-35455**

SILVER STANDARD RESOURCES INC.
(Exact name of Registrant as specified in its charter)

British Columbia	**1311**	**Not applicable**
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number (if applicable))	(I.R.S. Employer Identification Number (if applicable))

Suite 800 – 1055 Dunsmuir Street
PO Box 49088, Bentall Postal Station
Vancouver, British Columbia
Canada V7X 1G4
(604) 689-3846
(Address and telephone number of Registrant's principal executive offices)

CT Corporation System, 111 8th Avenue, New York, NY 10011
(212) 894-8940
(Name, address (including zip code) and telephone number
(including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	**Name of each exchange on which registered**
Common Shares without par value	The Nasdaq Stock Market LLC

Securities registered or to be registered pursuant to Section 12(g) of the Act. **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act. **None**

For annual reports, indicate by check mark the information filed with this Form:

x Annual Information Form x Audited Annual Financial Statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 80,754,434

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (s.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes o No o

The Annual Report on Form 40-F shall be incorporated by reference into each of the following Registration Statements under the Securities Act of 1933, as amended: Form S-8 (File No. 333-185498, 333-196116 and 333-198092).

FORM 40-F

Principal Documents

The following documents, filed as Exhibits 99.1, 99.2 and 99.3 to this Annual Report on Form 40-F, are incorporated herein by reference:

(a) Annual Information Form for the fiscal year ended December 31, 2014;

(b) Management's Discussion and Analysis for the fiscal year ended December 31, 2014; and

(c) Consolidated Financial Statements for the fiscal year ended December 31, 2014.

Cautionary Note Regarding Differences in United States and Canadian Reporting Practices

Silver Standard Resources Inc. ("Silver Standard" or the "Company") is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Annual Report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company prepares its financial statements, which are filed with this Annual Report on Form 40-F, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and they may be subject to Canadian auditing and auditor independence standards. They may not be comparable to financial statements of United States companies.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Annual Report on Form 40-F constitute "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. See "Introductory Notes – Cautionary Notice Regarding Forward-Looking Statements" in Silver Standard's Annual Information Form for the fiscal year ended December 31, 2014, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

ADDITIONAL DISCLOSURE

Certifications and Disclosure Regarding Controls and Procedures.

(a) Certifications. See Exhibits 99.5, 99.6, 99.7 and 99.8 to this Annual Report on Form 40-F.

(b) Disclosure Controls and Procedures. As of the end of Silver Standard's fiscal year ended December 31, 2014, an evaluation of the effectiveness of Silver Standard's "disclosure controls and procedures" (as such term is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) was carried out by Silver Standard's management, with the participation of its principal executive officer and principal financial officer. Based upon that evaluation, Silver Standard's principal executive officer and principal financial officer have concluded that as of the end of that fiscal year, Silver Standard's disclosure controls and procedures are effective to ensure that information required to be disclosed by Silver Standard in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission (the "Commission") rules and forms and (ii) accumulated and communicated to Silver Standard's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

It should be noted that while Silver Standard's principal executive officer and principal financial officer believe that Silver Standard's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that Silver Standard's disclosure controls and procedures or internal control over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

(c) Management's Annual Report on Internal Control Over Financial Reporting. The required disclosure is included under the heading "Internal Control over Financial Reporting and Disclosure Controls and Procedures" in Silver Standard's Management's Discussion and Analysis for the fiscal year ended December 31, 2014, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

(d) Attestation Report of the Registered Public Accounting Firm. The required disclosure is included in the "Independent Auditor's Report" that accompanies Silver Standard's Consolidated Financial Statements for the fiscal year ended December 31, 2014, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

(e) Changes in Internal Control Over Financial Reporting. During the fiscal year ended December 31, 2014, there were no changes in Silver Standard's internal control over financial reporting, other than the integration of the acquisition of the Marigold mine, that have materially affected, or are reasonably likely to materially affect, Silver Standard's internal control over financial reporting.

Notices Pursuant to Regulation BTR.

None.

Audit Committee Financial Expert.

Silver Standard's board of directors has determined that Richard D. Paterson, member of Silver Standard's audit committee, qualifies as an "audit committee financial expert" (as such term is defined under Item 8(a) of General Instruction B to Form 40-F) and is "independent" as that term is defined under listing standards of the Nasdaq Global Market ("Nasdaq").

Code of Ethics.

Silver Standard has adopted a "code of ethics" (as that term is defined under Item 9(a) of General Instruction B to Form 40-F), entitled the "Code of Business Conduct and Ethics" (the "Code of Conduct"), that applies to its principal executive officer, principal financial officer and other senior financial officers performing similar functions. The Code of Conduct is available for viewing on Silver Standard's website at www.silverstandard.com.

No waivers, including implicit waivers, were granted from any provision of the Code of Conduct during the fiscal year ended December 31, 2014.

Silver Standard intends to disclose and summarize any amendment to, or waiver from, any provision of the Code of Conduct that is required to be disclosed and summarized, on its website at www.silverstandard.com.

Principal Accountant Fees and Services.

The required disclosure is included under the heading "Audit Committee – External Auditor Service Fees" in Silver Standard's Annual Information Form for the fiscal year ended December 31, 2014, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

Pre-Approval Policies and Procedures.

The required disclosure is included under the heading “Audit Committee – Pre-Approval Policies and Procedures” in Silver Standard’s Annual Information Form for the fiscal year ended December 31, 2014, filed as Exhibit 99.1 to this Annual Report on Form 40-F.

Off-Balance Sheet Arrangements.

Silver Standard does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Tabular Disclosure of Contractual Obligations.

The required disclosure is included under the heading “Liquidity” in Silver Standard’s Management’s Discussion and Analysis for the fiscal year ended December 31, 2014, filed as Exhibit 99.2 to this Annual Report on Form 40-F.

Identification of the Audit Committee.

Silver Standard has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Exchange Act. The members of the audit committee are Richard D. Paterson (Chair), Gustavo A. Herrero and Beverlee F. Park.

Mine Safety Disclosure.

Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd–Frank Act”) requires that the Company disclose in this Annual Report on Form 40-F certain information about the Company’s U.S. mining operations, including the number of certain types of violations and orders issued under the Federal Mine Safety and Health Act of 1977 by the U.S. Labor Department’s Mine Safety and Health Administration. Information concerning such safety information related to the Company’s U.S. mining operations or other regulatory matters required by Section 1503(a) of the Financial Reform Act for the year ended December 31, 2014 is included as Exhibit 99.4 to this Annual Report on Form 40-F.

Nasdaq Global Market Disclosure.

Silver Standard is subject to a variety of corporate governance guidelines and requirements enacted by Canadian securities regulators, the Toronto Stock Exchange, Nasdaq and the Commission, and those mandated by the U.S. Sarbanes Oxley Act of 2002 and the Dodd–Frank Act.

Silver Standard's common shares are listed on Nasdaq. Nasdaq Marketplace Rule 5615(a)(3) permits a foreign private issuer, such as the Company, to follow its home country practice in lieu of most of the requirements of the 5600 Series of the Nasdaq Marketplace Rules. In order to claim such an exemption, Silver Standard must disclose the significant differences between its corporate governance practices and those required to be followed by U.S. domestic issuers under Nasdaq's corporate governance requirements. Nasdaq Marketplace Rule 5635 requires shareholder approval of most equity compensation plans and material revisions to such plans. Silver Standard does not follow this Nasdaq Marketplace Rule. Instead, Silver Standard complies with the applicable Toronto Stock Exchange rules which only require that the creation of, or certain material amendments to, equity compensation plans require shareholder approval.

UNDERTAKING AND CONSENT TO SERVICE OF PROCESS

A. Undertaking.

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

B. Consent to Service of Process.

The Registrant has filed a Form F-X in connection with the class of securities in relation to which the obligation to file this report arises.

Any change to the name or address of the agent for service of process of the Registrant shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Registrant.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 24, 2015.

Silver Standard Resources Inc.

By: */s/ John Smith*
Name: John Smith
Title: President & Chief Executive Officer

By: */s/ Gregory J. Martin*
Name: Gregory J. Martin
Title: Senior Vice President & Chief Financial Officer

EXHIBIT INDEX

Exhibit	Description
99.1	Annual Information Form for the fiscal year ended December 31, 2014
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2014
99.3	Consolidated Financial Statements for the fiscal year ended December 31, 2014
99.4	Mine Safety Information Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act
99.5	Certification of Chief Executive Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934
99.6	Certification of Chief Financial Officer pursuant to Rule 13a-14 or 15d-14 of the Securities Exchange Act of 1934
99.7	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350
99.8	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350
99.9	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accountant
99.10	Consents of Bruce Butcher, P.Eng., F. Carl Edmunds, P.Geo., and Trevor J. Yeomans, ACSM, P.Eng.
99.11	Consents of James N. Carver, Registered SME Member, Karthik Rathnam, MAusIMM (CP), and Thomas Rice, Registered SME Member
99.12	Consents of Warwick S. Board, P.Geo., and R. Bruce Kennedy, P.E.



ANNUAL INFORMATION FORM

of

SILVER STANDARD RESOURCES INC.

March 24, 2015

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SCHEDULE “A” AUDIT COMMITTEE CHARTER A-1

SILVER STANDARD RESOURCES INC.
ANNUAL INFORMATION FORM

INTRODUCTORY NOTES

DATE OF INFORMATION

In this Annual Information Form, Silver Standard Resources Inc., together with its subsidiaries, as the context requires, is referred to as "we," "our," "us," the "Company" and "Silver Standard". All information contained in this Annual Information Form is as at December 31, 2014, unless otherwise stated, being the date of our most recently completed financial year, and the use of the present tense and of the words "is," "are," "current," "currently," "presently," "now" and similar expressions in this Annual Information Form is to be construed as referring to information given as of that date.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking information within the meaning of Canadian securities laws and forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements") including, without limitation, forward-looking statements concerning our expected production and cost guidance for 2015, the anticipated capital expenditures at the Pirquitas mine and the Marigold mine, and our planned exploration and development expenditures for our projects in Mexico, Peru, Argentina, Canada and the United States. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Generally, forward-looking statements can be identified by the use of words or phrases such as "expects," "anticipates," "plans," "projects," "estimates," "assumes," "intends," "strategy," "goals," "objectives," "potential," or variations thereof, or stating that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, or the negative of any of these terms or similar expressions. These forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, the following risks and uncertainties referred to under the heading "*Risk Factors*":

- uncertainty of production, development plans and cost estimates for the Pirquitas mine, the Marigold mine and our projects;
- our ability to replace Mineral Reserves;
- commodity price fluctuations;
- political or economic instability and unexpected regulatory changes;
- currency fluctuations, particularly the value of the Argentine peso against the U.S. dollar;
- the possibility of future losses;
- general economic conditions;
- fully realizing our interest in Pretium Resources Inc. ("Pretium") and our other marketable securities, including the price of and market for Pretium's common shares and such other marketable securities;
- potential export duty and related interest on current and past production of silver concentrate from the Pirquitas mine;
- recoverability and tightened controls over the value added tax ("VAT") collection process in Argentina;
- counterparty and market risks related to the sale of our concentrate and metals;
- uncertainty in the accuracy of Mineral Reserves and Mineral Resources estimates and in our ability to extract mineralization profitably;
- differences in U.S. and Canadian practices for reporting Mineral Reserves and Mineral Resources;

- lack of suitable infrastructure or damage to existing infrastructure;
- future development risks, including start-up delays and operational issues;
- our ability to obtain adequate financing for further exploration and development programs;
- uncertainty in acquiring additional commercially mineable mineral rights;
- delays in obtaining or failure to obtain governmental permits, or non-compliance with permits we have obtained;
- our ability to attract and retain qualified personnel and management and potential labour unrest, including labour actions by our unionized employees at the Pirquitas mine;
- governmental regulations, including health, safety and environmental regulations, increased costs and restrictions on operations due to compliance with such regulations;
- reclamation and closure requirements for our mineral properties;
- unpredictable risks and hazards related to the development and operation of a mine or mineral property that are beyond our control;
- assessments by taxation authorities in multiple jurisdictions, including the recent reassessment by the Canada Revenue Agency ("CRA");
- claims and legal proceedings, including adverse rulings in current or future litigation against us and/or our directors or officers;
- compliance with anti-corruption laws and increased regulatory compliance costs;
- complying with emerging climate change regulations and the impact of climate change;
- recoverability of deferred consideration to be received in connection with recent divestitures;
- uncertainties related to title to our mineral properties and the ability to obtain surface rights;
- our insurance coverage;
- civil disobedience in the countries where our mineral properties are located;
- operational safety and security risks;
- actions required to be taken by us under human rights law;
- our ability to access, when required, mining equipment and services;
- competition in the mining industry for mineral properties;
- shortage or poor quality of equipment or supplies;
- our ability to complete and successfully integrate an announced acquisition;
- conflicts of interest that could arise from some of our directors' and officers' involvement with other natural resource companies;
- information systems security threats;
- certain terms of our convertible notes; and
- other risks related to our common shares.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Our forward-looking statements are based on what management considers to be reasonable assumptions, beliefs, expectations and opinions based on information currently available to management. We cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect.

Assumptions have been made regarding, among other things, our ability to carry on our exploration and development activities, our ability to meet our obligations under our property agreements, the timing and results of drilling programs, the discovery of Mineral Resources and Mineral Reserves on our mineral properties, the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of our projects, the price of the minerals we produce, the costs of operating and exploration expenditures, our ability to operate in a safe, efficient and effective manner, our ability to obtain financing as and when required and on reasonable terms and our ability to continue operating the Pirquitas mine and the Marigold mine. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. Our forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and we do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

CURRENCY AND EXCHANGE RATE INFORMATION

All currency references in this Annual Information Form are in United States dollars unless otherwise indicated. References to "Canadian dollars" or the use of the symbol "C$" refers to Canadian dollars. References to "Argentine pesos" or "ARS" are to the lawful currency of Argentina.

On March 23, 2015, the noon spot rate of exchange reported by the Bank of Canada was C$1.00 per US$0.7990. As of the same date, one Argentine peso equalled US$0.11.

SCIENTIFIC AND TECHNICAL INFORMATION

Unless otherwise indicated, scientific and technical information in this Annual Information Form relating to our mineral properties other than the Marigold mine has been reviewed and approved by Bruce Butcher, P.Eng., F. Carl Edmunds, P.Geo., and Trevor J. Yeomans, ACSM, P.Eng., each of whom is a Qualified Person and an employee of Silver Standard. Scientific and technical information in this Annual Information Form relating to our Marigold mine has been reviewed and approved by James N. Carver, SME Registered Member, Karthik Rathnam, MAusIMM (CP), Thomas Rice, SME Registered Member, and Trevor J. Yeomans, ACSM, P.Eng., each of whom is a Qualified Person and an employee of Silver Standard. See "*Interests of Experts*".

A "Qualified Person" for the purposes of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, has experience relevant to the subject matter of the mineral project, and is a member in good standing of a professional association.

CAUTIONARY NOTICE REGARDING MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES

The disclosure included in this Annual Information Form uses Mineral Reserves and Mineral Resources classification terms that comply with reporting standards in Canada and the Mineral Reserves and Mineral Resources estimates are made in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") Definition Standards on Mineral Resources and Mineral Reserves (the "CIM Standards") adopted by the CIM Council on May 10, 2014 and NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators ("CSA") that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. The following definitions are reproduced from the CIM Standards:

A ***Mineral Resource*** is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

An ***Inferred Mineral Resource*** is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

A n ***Indicated Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve. “Modifying Factors” are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

A ***Measured Mineral Resource*** is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.

A ***Mineral Reserve*** is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. Mineral Reserves are sub-divided in order of increasing confidence into Probable Mineral Reserves and Proven Mineral Reserves. The public disclosure of a Mineral Reserve must be demonstrated by a Pre-Feasibility Study or Feasibility Study.

A ***Probable Mineral Reserve*** is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

A ***Proven Mineral Reserve*** is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

Unless otherwise indicated, all Mineral Reserves and Mineral Resources estimates included in this Annual Information Form have been prepared in accordance with NI 43-101. These standards differ significantly from the requirements of the U.S. Securities and Exchange Commission (“SEC”) set out in SEC Industry Guide 7. Consequently, Mineral Reserves and Mineral Resources information included in this Annual Information Form is not comparable to similar information that would generally be disclosed by domestic U.S. reporting companies subject to the reporting and disclosure requirements of the SEC.

In particular, SEC Industry Guide 7 applies different standards in order to classify mineralization as a reserve. As a result, the definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" used in NI 43-101 differ from the definitions in SEC Industry Guide 7. Under SEC standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. Among other things, all necessary permits would be required to be in hand or issuance imminent in order to classify mineralized material as reserves under the SEC standards. Accordingly, Mineral Reserves estimates included in this Annual Information Form may not qualify as "reserves" under SEC standards.

In addition, this Annual Information Form uses the terms "Mineral Resources," "Measured Mineral Resources," "Indicated Mineral Resources" and "Inferred Mineral Resources" to comply with the reporting standards in Canada. SEC Industry Guide 7 does not recognize Mineral Resources and U.S. companies are generally not permitted to disclose resources in documents they file with the SEC. Furthermore, disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. Investors are specifically cautioned not to assume that all or any part of the mineral deposits in these categories will ever be converted into SEC defined mineral reserves. Further, "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists. In accordance with Canadian rules, estimates of "Inferred Mineral Resources" cannot form the basis of feasibility or pre-feasibility studies. It cannot be assumed that all or any part of "Mineral Resources," "Measured Mineral Resources," "Indicated Mineral Resources" or "Inferred Mineral Resources" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part of the "Mineral Resources," "Measured Mineral Resources," "Indicated Mineral Resources" or "Inferred Mineral Resources" reported in this Annual Information Form is economically or legally mineable. In addition, the definitions of "Proven Mineral Reserves" and "Probable Mineral Reserves" under reporting standards in Canada differ in certain respects from the standards of the SEC. For the above reasons, information included in this Annual Information Form that describes our Mineral Reserves and Mineral Resources estimates is not comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

The term "Qualified Person" as used in this Annual Information Form means a Qualified Person as that term is defined in NI 43-101.

NOTICE REGARDING NON-GAAP MEASURES

This Annual Information Form includes certain terms or performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and incorporated in the Handbook of the Canadian Institute of Chartered Accountants ("IFRS"), including cash costs, all-in sustaining costs and total costs per payable ounce of silver or gold sold, realized price per ounce of silver or gold sold, adjusted net income (loss) before tax, adjusted net income (loss) and adjusted basic earnings (loss) per share. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-GAAP measures should be read in conjunction with our financial statements. See "Non-GAAP Financial Measures" in our management's discussion and analysis of the financial position and results of operations for the year ended December 31, 2014.

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

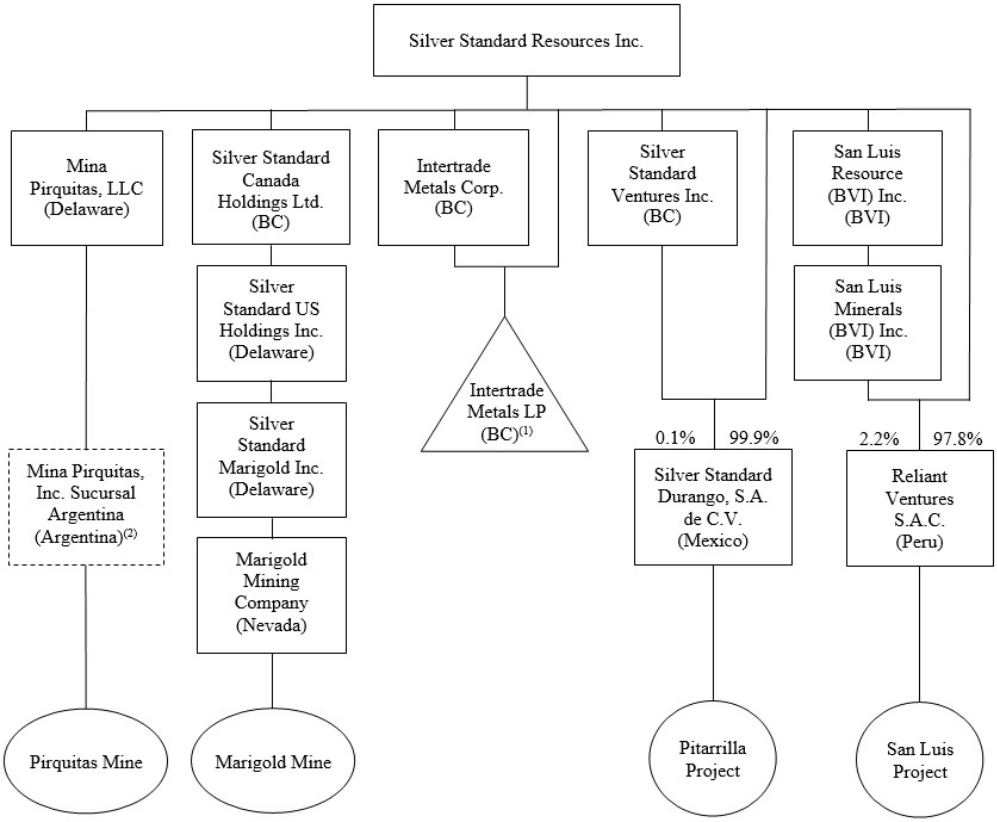
We were incorporated as a company in British Columbia, Canada, on December 11, 1946 under the name "Silver Standard Mines, Limited (NPL)" and changed our name to "Silver Standard Mines Limited" on July 18, 1979. We changed our name to "Consolidated Silver Standard Mines Limited" and consolidated our common shares on a 1-for-5 basis on August 9, 1984. All share data in this Annual Information Form refers to consolidated shares/data, unless otherwise indicated. We changed our name to "Silver Standard Resources Inc." on April 9, 1990. On May 12, 2005, our shareholders adopted new articles as required by the new British Columbia *Business Corporations Act* ("BCBCA"),

under which we are incorporated, and authorized an increase in our authorized capital from 100,000,000 common shares without par value to an unlimited number of common shares without par value.

Our head office and registered and records office is located at Suite 800 – 1055 Dunsmuir Street, Vancouver, British Columbia, V7X 1G4.

INTERCORPORATE RELATIONSHIPS

The following is a diagram of the intercorporate relationships among us and our material subsidiaries, each of which is wholly-owned by us.



Notes:
Ownership which is less than 100% is indicated by the percentage owned (rounded to the nearest 0.1%).
(1) Intertrade Metals Corp. is the General Partner and Silver Standard is the Limited Partner.
(2) Argentina branch is not a separate legal entity.

GENERAL DEVELOPMENT OF THE BUSINESS

We are a resource company focused on the operation, acquisition, exploration and development of precious metal resource properties located in the Americas. With the acquisition of the Marigold mine in Nevada, U.S.A. on April 4, 2014, we have two producing mines and a portfolio of silver resource dominant projects located throughout the Americas. Our focus is on profitable silver production from the Pirquitas mine in Argentina, and gold production from the Marigold

mine in Nevada, U.S.A. During 2014, the Pirquitas mine continued to operate to plan, and we completed the integration of the Marigold mine into our operations and advanced performance optimization initiatives.

RECENT DEVELOPMENTS

Outlook for 2015

On January 14, 2015, we announced our production and cost guidance for 2015, as follows:

Operating Guidance		Pirquitas mine	Marigold mine
Gold Production	oz	—	160,000 – 175,000
Silver Production	Moz	9.0 – 10.0	—
Zinc Production	Mlb	10.0 – 12.0	—
Cash cost per payable ounce sold	$/oz	$11.50 – $12.50	$725 – $800
Capital Expenditures	$M	$10	$20
Capitalized Stripping Costs	$M	—	$25

At the Pirquitas mine, silver production is expected to increase over 2014 as mining progresses through the higher grade portions of the San Miguel Phase 2 open pit, with stable cash costs per payable ounce sold. Capital expenditures of $10 million consist principally of mine and plant capital spares and initial work on the Stage 5 tailings dam.

Gold production from our Marigold mine is expected to be strongest in the first and fourth quarters of 2015 as a strong end to 2014 carries into the first quarter of 2015 and mining progresses into lower areas of the next phase of the Mackay pit later in the year. Capital expenditures of $20 million include approximately $7 million for cell 20 leach pad construction, $9 million for maintenance and capitalized spares for mining equipment and $2 million for capitalized exploration drilling.

Exploration expenditures are forecast to remain at a reduced level of $15 million for 2015. Planned expenditures include $4 million on surface and underground drilling proximate to the Pirquitas mine and $3.5 million of resource delineation drilling at the Marigold mine. Property holdings are being maintained in good standing with limited activities expected at our Pitarrilla project, while spending at our San Luis project is conditional upon successful community agreements.

CRA Reassessment

On January 27, 2015, we received a Notice of Reassessment (“NOR”) from the CRA in the amount of approximately C$41.4 million plus interest of approximately C$6.6 million related to the tax treatment of the 2010 sale of shares of our subsidiary that owned and operated the Snowfield and Brucejack projects. Our management strongly disagrees with the CRA’s position in the reassessment and we plan on filing a Notice of Objection and, if necessary, a Notice of Appeal to the Tax Court of Canada. In order to appeal the reassessment, we have paid to the CRA the minimum payment amount of 50% of the reassessed amount claimed by the CRA under the NOR plus interest accrued to the date of the NOR.

2014 DEVELOPMENTS

Acquisition of Marigold Mine and Technical Report

On April 4, 2014, we completed the acquisition of the Marigold mine, a producing gold mine in Nevada, U.S.A., from subsidiaries of Goldcorp Inc. ("Goldcorp") and Barrick Gold Corporation ("Barrick"), for total cash consideration of $268 million after closing adjustments. The acquisition was carried out pursuant to the terms and conditions contained in a purchase and sale agreement dated February 3, 2014, as amended, between Goldcorp USA, Inc., Goldcorp Canada Ltd., Homestake Mining Company of California and Silver Standard (the "Purchase Agreement"). We filed a Business Acquisition Report on Form 51-102F4 in respect of this acquisition on June 18, 2014.

On October 6, 2014, we released our life of mine plan for the Marigold mine and subsequently filed a NI 43-101 technical report dated November 19, 2014 entitled "NI 43-101 Technical Report on the Marigold Mine, Humboldt County, Nevada" (the "Marigold Technical Report"). The life of mine highlights, as disclosed in the Marigold Technical Report, are as follows:

- Gold production average of 186,700 ounces per year over the nine years of active mining to 2023.
- Average annual cash costs of $762 per payable ounce of gold sold and all-in sustaining costs of $986 per payable ounce of gold sold.
- Total sustaining capital expenditures of $123 million, or $74 per payable ounce of gold sold.
- After-tax net present value of $419 million, assuming a gold price of $1,300 per ounce and a 5% discount rate.

On December 12, 2014, we announced the addition of Mineral Resources within the limits of the Marigold mine's existing plan of operations at the southern end of the 8 South pit. These Mineral Resources were included in our updated Mineral Resources estimate for the Marigold mine as at December 31, 2014. See "*Mineral Properties – Summary of Mineral Reserves and Mineral Resources Estimates*".

Sale of Challacollo Project

On February 6, 2014, we completed the sale of the Challacollo project in Region I, Chile to Mandalay Resources Corporation ("Mandalay") for aggregate consideration of: $7.5 million in cash and 12 million common shares of Mandalay at closing; and the contingent right to receive 5 million common shares of Mandalay and an aggregate cash payment equal to the equivalent of 240,000 ounces of silver, payable in eight quarterly installments (based on the average quarterly silver price), in each case dependent on the commencement of commercial production at the Challacollo project. In addition, we have a 2% net smelter returns ("NSR") royalty on silver sales in excess of 36 million ounces from the Challacollo project, up to a maximum of $5 million.

Change to Board of Directors

On May 26, 2014, we announced that Ms. Beverlee F. Park joined our Board of Directors, effective May 20, 2014. This appointment followed the retirement of Mr. Richard C. Campbell after serving as a Director, including service as the Chair of the Safety and Sustainability Committee, since 2008.

Sale of Pretium Shares

On July 29, 2014, we completed a secondary offering of 1,449,000 common shares of Pretium Resources Inc. ("Pretium") for gross proceeds of approximately $10.5 million, with the sale of a further 217,350 common shares of Pretium pursuant to the exercise of an over-allotment option on August 15, 2014 for additional gross proceeds of approximately $1.6 million.

2013 DEVELOPMENTS

Offering of $265 Million Convertible Senior Notes

On January 16, 2013, we completed an offering of $250 million aggregate principal amount of 2.875% convertible senior notes due 2033 (the "Initial 2013 Notes"). We closed an additional $15 million aggregate principal amount of 2.875% convertible senior notes due 2033 (together with the Initial 2013 Notes, the "2013 Notes") on February 13, 2013 pursuant to the partial exercise of the over-allotment option granted to the purchasers of the Initial 2013 Notes. We used $138 million of the net proceeds from the sale of the 2013 Notes to repurchase our existing convertible notes on March 1, 2013 and the indenture relating to those notes was terminated on March 15, 2013. The remaining net proceeds are used for general corporate purposes, including funding our acquisition of the Marigold mine in 2014.

Sale of San Agustín Project

On December 30, 2013, we completed the sale of the San Agustín project in Durango State, Mexico to Argonaut Gold Inc. ("Argonaut") for aggregate consideration of: $15 million in cash and 5,111,439 common shares of Argonaut at closing; and deferred cash consideration of $30 million ($10 million of which was received on May 5, 2014 and $20 million of which is due to be received on May 5, 2015). In addition, we have a 2% NSR royalty on sulphide ores processed from the San Agustín project.

2012 DEVELOPMENTS

Exercise of Share Purchase Warrants of Pretium

During the first half of 2012, we received aggregate cash proceeds of approximately $71.4 million upon the exercise of share purchase warrants of Pretium issued as part of the secondary offering of 11.5 million units of Pretium that closed in April 2011.

Approval of EIA for San Luis Project

On September 10, 2012, Peru's Ministry of Mines and Energy approved our environmental impact assessment ("EIA") for the mining operation of the Ayelén deposit, completing a significant milestone for the San Luis project. An extension to our EIA has since been granted, and is valid to September 19, 2017.

Technical Report for Pitarrilla Project

On December 17, 2012, we filed a technical report entitled "NI 43-101 Technical Report on the Pitarrilla Project, Durango State, Mexico" (the "Pitarrilla Technical Report") in support of our feasibility study for the project.

DESCRIPTION OF THE BUSINESS

GENERAL

We are engaged in the operation, acquisition, exploration and development of precious metal mineral properties located in the Americas. We continue to investigate the acquisition of additional precious metal mineral properties and interests in such properties. We believe that our strong balance sheet (including a retained ownership of approximately 13.1% of Pretium's issued and outstanding shares as at March 23, 2015) positions us well to execute on such opportunities; however, there is no assurance that any such investigations will result in the completion of an acquisition. Further, from time to time, we may monetize certain of our assets to accelerate the advancement of more strategically significant properties, as we did when we sold the Challacollo project to Mandalay in February 2014 and the San Agustín project to Argonaut in December 2013.

In addition to the Pirquitas mine and the Marigold mine, our two producing mines, we own the Pitarrilla project, a silver project in Mexico, and the San Luis project, a high-grade gold-silver project located in Peru. We also hold interests in several other properties that are geographically broadly distributed and at various stages of exploration and development, including: the Diablillos project in Argentina; the Berenguela project in Peru; the Candelaria project in Nevada, U.S.A.; the Maverick Springs joint venture project in Nevada, U.S.A.; the Sunrise Lake project in the Northwest Territories, Canada; and a number of other mineral property holdings, primarily in Mexico.



PRINCIPAL PRODUCTS

Our principal products are silver concentrate and gold doré, although we also produce and sell zinc concentrate. As of the date of this Annual Information Form, all of our silver and zinc concentrate is produced at the Pirquitas mine and all of our gold doré, which is refined into gold bullion bars, is produced at the Marigold mine.

Our Pirquitas mine sales are made to external customers located in various geographical areas. For the Pirquitas mine segment, we had five customers who individually accounted for between 11% and 22% of total revenue during 2014, and four customers who individually accounted for between 17% and 23% of total revenue during 2013. In the future, the loss of any one smelting and refining client may have a material adverse effect on our business if alternate smelters and refiners are not available, although we have diversified our customer base and we believe that there is sufficient global capacity available to address the loss of any one particular customer.

The refined gold bullion from the gold doré produced at the Marigold mine is sold to one customer. There are a number of other acceptable customers and refineries with the capacity to refine doré, and we can process our gold through other refineries in North America, if required.

Our revenue by product category for the financial years ended December 31, 2014 and December 31, 2013 was as follows:

Product Revenue	2014	2013
Silver	39%	91%
Gold	53%	—%
Zinc	7%	9%
Other	1%	—%

Following the acquisition of the Marigold mine, our financial performance is impacted by both silver and gold prices. Silver prices performed negatively in 2014 with the price of silver declining 20% to an average of $19.08 per ounce from an average of $23.82 per ounce in 2013. Gold prices were reasonably consistent following our acquisition of the Marigold mine, trading within a range of $1,140 and $1,300 per ounce, with an average of $1,257 per ounce. Through 2014, silver underperformed gold, with gold to silver ratios widening from 60:1 to almost 70:1. At the end of 2014, precious metals prices remained under pressure, with silver prices closing at $15.97 per ounce and gold prices closing at $1,213 per ounce as at December 31, 2014.

SPECIALIZED SKILLS AND KNOWLEDGE

Various aspects of our business require specialized skills and knowledge, including the areas of geology, engineering, drilling, metallurgy, permitting, logistical planning and implementation of exploration programs as well as legal compliance, finance and accounting. We face competition for qualified personnel with these specialized skills and knowledge, which may increase our costs of operations or result in delays.

COMPETITIVE CONDITIONS

The precious and base mineral exploration and mining business is competitive. Competition is primarily for: (a) mineral properties that can be developed and produced economically; (b) technical experts that can find, develop, and mine such mineral properties; (c) labour to operate the mineral properties; and (d) capital to finance development and operations.

We compete with other mining and exploration companies in the acquisition of mining claims and leases and in connection with the recruitment and retention of qualified employees. There is significant competition for mining claims and leases. Many larger competitors conduct business globally and thus have greater financial and technical resources available to them. If we are unsuccessful in acquiring additional mineral properties or qualified personnel, we will not be able to replace Mineral Reserves, maintain production or grow.

EMPLOYEES

As at December 31, 2014, we employed a total of 1,014 full-time employees and 233 contract employees. The table below sets out our employees at each of the following locations:

Location	Number of Employees	
	Full-time	Contract
Vancouver Office	33	3
Argentina	599	216
U.S.	354	4
Mexico	18	3
Peru	10	5
Chile	--	2

As at December 31, 2014, of the 599 full-time employees in Argentina, 430 were represented by a union.

CORPORATE SOCIAL RESPONSIBILITY

For us, being a responsible corporate citizen means protecting the natural environment associated with our business activities, providing a safe workplace for our employees and contractors, and investing in infrastructure, economic development, and health and education in the communities where we operate so that we can enhance the lives of those who work and live there beyond the life of such operations. We take a long-term view of our corporate responsibility, which is reflected in the policies that guide our business decisions, and in our corporate culture that fosters safe and ethical behavior across all levels of Silver Standard. Our goal is to ensure that our engagement with our stakeholders, including our workforce, industry partners, and the communities where we operate, is continued, mutually beneficial and transparent. By building such relationships and conducting ourselves in this manner, we can address specific concerns of our stakeholders and work cooperatively and effectively towards achieving this goal.

Health and Safety

We reflect our commitment to the health and safety of our employees by creating and maintaining a safe working environment and by complying with all applicable health and safety laws, rules and regulations. We acknowledge that there are risks associated with our business and, through proactive risk management, continuously aim to minimize and control these risks.

Our safety vision is “Safe for Life”, and our ultimate goal is to deliver safe production every day. Our safety program emphasizes balancing the human and technical aspects of safety: blending leadership behaviors with traditional management activities to create a safe productive culture. We ensure that our workers understand their individual contributions to safe production. In this positive environment, our employees maintain safety awareness, recognizing hazards and analyzing risk in their daily activities. Each employee has established commitments related to their personal and work safety and health behaviors, and each employee is empowered to take the necessary actions to minimize risks. The technical aspects of safety are addressed by identifying critical tasks, establishing policies and procedures and providing appropriate training. Performance measurement and accountability provides feedback and maintains focus on continuous improvement.

Our Board of Directors has established a Safety and Sustainability Committee that, as part of its mandate, is responsible for reviewing our health, safety, security, environmental and community relations policies and practices and monitoring our performance in these areas. The Safety and Sustainability Committee meets and reports to the Board of Directors on a regular basis.

Environmental Protection

Our activities are subject to extensive laws and regulations governing the protection of the environment and natural resources. These laws address, among other things, emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. We are required to obtain governmental permits and in some instances provide bonding requirements under federal, state, or provincial air, water quality, and mine reclamation rules and permits. Violations of environmental laws are subject to civil sanctions and, in some cases, criminal sanctions, including the suspension or revocation of permits. The failure to comply with environmental laws and regulations or liabilities related to hazardous substance contamination could result in project development delays, material financial impacts or other material impacts to our projects and activities, fines, penalties, lawsuits by the government or private parties, or material capital expenditures. Additionally, environmental laws in some of the countries in which we operate require that we periodically perform environmental impact studies at our mines. These studies could reveal environmental impacts that would require us to make significant capital outlays or cause material changes or delays in our intended activities. See "*Risk Factors*".

We have undertaken a policy of sustainable resource development aimed at the protection of human health and the natural environment. We comply with regulatory requirements and diligently apply appropriate methodologies to protect the environment throughout our exploration, development, mining, processing and closure activities. Our environmental obligations include, but are not limited to, obtaining and maintaining all environmental permits and approvals required for the conduct of our operations, the proper handling, storage and disposal of regulated materials and the timely and accurate submission of required reports to the appropriate government agencies.

We have certain reclamation obligations at our mineral properties, including the Pirquitas mine in Argentina, the Marigold mine in Nevada, U.S.A., and the Duthie property and the Silver Standard mine property, both located in British Columbia, Canada. Our current closure and reclamation cost estimate, to be spent over a number of years, at the Pirquitas mine is approximately $50 million. This estimate is based on conceptual level engineering and will be updated periodically to reflect changes in the life of mine plan. The proposed reclamation work focuses on diverting water around the waste dumps and pit areas as well as capturing and passively treating impacted waters.

At the Marigold mine, we engage in concurrent reclamation practices and are bonded for all permitted features, as part of the State of Nevada permitting process. Current bonding requirements are based on third party cost estimates to reclaim all permitted features at the Marigold mine. The Bureau of Land Management ("BLM") and the State of Nevada both review and approve the bond estimate, and the BLM holds the financial instruments providing the bond backing. As at December 31, 2014, the Marigold mine has an approved $45.2 million reclamation bond requirement.

In 2014, our reclamation work program at the Duthie property was carried out at a cost of approximately $130,000. Our remaining reclamation obligations beyond 2014 include the construction of a wetland for water filtration purposes and the monitoring of the results of the reclamation project in subsequent years. Estimated costs for the remaining reclamation beyond 2014 are approximately $350,000. At the Silver Standard mine property, we incurred approximately $0.9 million in expenditures for reclamation work completed in 2014. Estimated costs for reclamation work programs on the Silver Standard mine property beyond 2014 are approximately $1.6 million.

Community Engagement

Our community relations program is based on open and continuous communication with the members of communities located in our areas of operation. We take a cooperative approach to local development activities to promote sustainable long-term economic and social benefits. In addition, we strive to ensure that local stakeholders have an opportunity for input and dialogue. Projects aimed at assisting and advancing our communities includes training and employment, development of infrastructure and support for education and medical services, among others. At all times, we work to be a partner in the long-term sustainability of the communities in which we operate.

At our Pirquitas mine, we support the educational system in the Province of Jujuy, Argentina through collaboration with local schools. We have assisted with the renovation of six local educational facilities and with a number of information sessions and educational activities held for students throughout the region. We have also collaborated with the Argentina Ministry of Education to create a program allowing members of local communities, including our employees, to complete their secondary education. In addition, our medical services and health campaigns provide higher health standards and practices in the remote areas in close proximity to the Pirquitas mine. At the Pirquitas health center, we have initiated a general practitioner outreach program for local towns, commenced a dental care program and held numerous illness prevention workshops.

Community support and engagement is also well-established at our Marigold mine, and several of our employees are key participants in local development efforts. Our employees work closely with the University of Nevada in Reno to create a graduate program in mining, in addition to providing internships for students and ongoing support to the university, and we support local high schools through scholarships, contribution of equipment and supplies and employee volunteer efforts. In addition, our Marigold emergency response team actively supports the emergency preparedness and wellness in the local community, and has participated in various activities including training drills and delivering flu vaccinations at health fairs.

FOREIGN OPERATIONS

Any changes in regulations or shifts in political attitudes in the foreign jurisdictions in which we operate, including Argentina, Mexico, Peru and the United States, are beyond our control and may adversely affect our business. Future development and operations may be affected in varying degrees by such factors as government regulations (or changes to such regulations) with respect to the restrictions on production, export controls, income taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people and mine safety. We cannot accurately predict the effect of these factors. See “*Risk Factors*”.

MINERAL PROPERTIES

SUMMARY OF MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES

The following table summarizes as at December 31, 2014 our estimated Mineral Reserves and Mineral Resources. All of our projects noted below are wholly-owned.

	Location	Tonnes millions	Silver g/t	Gold g/t	Lead %	Zinc %	Copper %	Silver million oz	Gold million oz
MINERAL RESERVES:									
Proven Mineral Reserves									
San Luis	Peru	0.06	604.5	28.3				1.1	0.05
Total								**1.1**	**0.05**
Probable Mineral Reserves									
Pirquitas	Argentina	5.37	220.10			0.47		38.0	
Pirquitas Stockpiles	Argentina	0.64	136.52			0.62		2.8	
Marigold	U.S.	138.60		0.49					2.20
Marigold Leach Pad Inventory	U.S.								0.12
San Luis	Peru	0.45	426.20	16.70				6.1	0.24
Total								**46.9**	**2.56**
Total Proven and Probable Mineral Reserves									
Pirquitas	Argentina	5.37	220.10			0.47		38.0	
Pirquitas Stockpiles	Argentina	0.64	136.52			0.62		2.8	
Marigold	U.S.	138.60		0.49					2.20
Marigold Leach Pad Inventory	U.S.								0.12
San Luis	Peru	0.51	447.18	18.06				7.2	0.29
Total Proven and Probable								**48.0**	**2.61**

	Location	Tonnes millions	Silver g/t	Gold g/t	Lead %	Zinc %	Copper %	Silver million oz	Gold million oz
MINERAL RESOURCES:									
Measured Mineral Resources (Inclusive of Proven Mineral Reserves)									
Pitarrilla	Mexico	20.30	95.40					62.3	
San Luis	Peru	0.06	757.60	34.30				1.3	0.06
Total								**63.6**	**0.06**
Indicated Mineral Resources (Inclusive of Probable Mineral Reserves)									
Pirquitas	Argentina	11.65	183.0			0.53		68.7	
Pirquitas UG	Argentina	4.37	176.1			4.34		24.7	
Pirquitas Stockpiles	Argentina	1.20	111.0			0.99		4.4	
Marigold	U.S.	250.90		0.51					4.04
Marigold Leach Pad Inventory	U.S.								0.12
Pitarrilla – Ag	Mexico	240.00	81.9					632.2	
Pitarrilla – Pb/Zn	Mexico	260.30			0.32	0.72			
San Luis	Peru	0.43	555.0	20.80				7.7	0.29
Diablillos	Argentina	21.60	111.0	0.90				77.1	0.64
Berenguela	Peru	15.60	132.0				0.92	66.1	
Total								**880.9**	**5.09**
Measured and Indicated Mineral Resources (Inclusive of Mineral Reserves)									
Pirquitas	Argentina	11.65	183.0			0.53		68.7	
Pirquitas UG	Argentina	4.37	176.1			4.34		24.7	
Pirquitas Stockpiles	Argentina	1.20	111.0			0.99		4.4	
Marigold	U.S.	250.90		0.51					4.04
Marigold Leach Pad Inventory	U.S.								0.12
Pitarrilla – Ag	Mexico	260.30	83.0					694.5	
Pitarrilla – Pb/Zn	Mexico	260.30			0.32	0.72			
San Luis	Peru	0.48	578.1	22.40				9.0	0.35
Diablillos	Argentina	21.60	111.0	0.90				77.1	0.64
Berenguela	Peru	15.60	132.0				0.92	66.1	
Total Measured and Indicated								**944.5**	**5.15**
Inferred Mineral Resources									
Pirquitas UG	Argentina	2.85	174.0			3.61		15.9	
Marigold	U.S.	18.20		0.44					0.26
Pitarrilla	Mexico	22.10	62.1		0.21	0.49		44.1	
San Luis	Peru	0.02	270.1	5.60				0.2	
Diablillos	Argentina	7.20	27.0	0.80				6.3	0.19
Berenguela	Peru	6.00	111.7				0.74	21.6	
Total Inferred								**88.1**	**0.45**

Notes to Mineral Reserves and Mineral Resources Table:

- All estimates of Mineral Reserves and Mineral Resources have been prepared in accordance with NI 43-101. The estimates of Mineral Reserves and Mineral Resources for each property other than the Pirquitas mine and the Marigold mine have been reviewed and approved by Bruce Butcher, P.Eng., F. Carl Edmunds, P.Geo., and Trevor J. Yeomans, ACSM, P.Eng., each of whom is a Qualified Person and an employee of Silver Standard.

- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources and Mineral Reserves figures have some rounding applied. Exact totals can be found in the corresponding technical report for each property. All ounces reported herein represent troy ounces, and "g/t" represents grams per tonne.
- All technical reports for our mineral properties are available under our profile on the SEDAR website at www.sedar.com or on our website at www.silverstandard.com.
- "Measured Resources", "Indicated Resources" and "Inferred Resources" are defined under the heading "*Introductory Notes – Cautionary Notice Regarding Mineral Reserves and Mineral Resources Estimates*". Although Measured Resources, Indicated Resources and Inferred Resources are Mineral Resources confidence classification categories defined by CIM and are recognized and required to be disclosed by NI 43-101, the SEC does not recognize them. Disclosure of contained ounces is permitted under NI 43-101; however, the SEC permits mineralization that does not constitute "reserves" by SEC standards to be reported only as in place tonnage and grade. See "*Introductory Notes – Cautionary Notice Regarding Mineral Reserves and Mineral Resources Estimates*".
- ***Pirquitas:*** Mineral Reserves and Mineral Resources estimates are reported below the as-mined surface as at December 31, 2014. Mineral Reserves are presented at a cut-off of $33.26 per tonne NSR, using a silver price of $19.00 per ounce and a zinc price of $2,204 per tonne. Mineral Resources for the Cortaderas Area are reported above a cut-off grade of 50 g/t silver; Mineral Resources for the Mining Area (includes San Miguel, Oploca and Potosí zones) are reported at 65 g/t silver constrained to an optimized pit based on current cost and engineering information, using a silver price of $25.00 per ounce and a zinc price of $2,425 per tonne; and Mineral Resources for the underground Mining Area (Pirquitas UG) are reported at a cut-off grade of 200 g/t silver. Mineral Resources for the Mining Area are reported inclusive of Mineral Reserves. The Mineral Reserves and Mineral Resources estimates were prepared under the supervision of Bruce Butcher, P.Eng., F. Carl Edmunds, P.Geo., and Trevor J. Yeomans, ACSM, P.Eng., each of whom is a Qualified Person and an employee of Silver Standard. Except for the optimized pit constraints and updates in metal price assumptions, cut-off grade used for the Mineral Reserves estimate and value estimation methodology used in the Mineral Resources block model, all other key assumptions, parameters and methods used to estimate the Mineral Reserves and Mineral Resources are set out in the Pirquitas Technical Report (as defined below).
- ***Marigold:*** Mineral Reserves and Mineral Resources estimates are reported below the as-mined surface as at December 31, 2014. The Mineral Reserves estimate was prepared under the supervision of Thomas Rice, SME Registered Member, a Qualified Person and an employee of Silver Standard, and is presented at a cut-off of 0.065 g/t payable gold grade, using a gold price of $1,200 per ounce. The Mineral Resources estimate was prepared under the supervision of James N. Carver, SME Registered Member, and Karthik Rathnam, MAusIMM (CP), each of whom is a Qualified Person and an employee of Silver Standard. Mineral Resources are presented based on an optimized pit at a cut-off of 0.065 g/t payable gold grade (gold assay factored for recovery, royalty and net proceeds per mineral resource block), using a gold price of $1,500 per ounce. Except for updates to cost parameters and metal price assumptions, all other key assumptions, parameters and methods used to estimate the Mineral Reserves and Mineral Resources are set out in the Marigold Technical Report.
- ***San Luis:*** Mineral Reserves estimate is reported at a cut-off grade of 6.9 g/t gold equivalent, based on $800 per ounce gold, $12.50 per ounce silver, and recoveries of 94% gold and 90% silver. Mineral Resources estimate is reported at a cut-off grade of 6.0 g/t gold equivalent, based on $600 per ounce gold and $9.25 per ounce silver.
- ***Pitarrilla:*** Mineral Resources estimate is reported above a cut-off grade of 30 g/t silver.
- ***Diablillos:*** Mineral Resources estimate is reported above a recoverable metal value ("RMV") cut-off value of $10.00 RMV based on metal prices of $11.00 per ounce silver and $700 per ounce gold using metal recoveries of 40% and 65%, respectively.
- ***Berenguela:*** Mineral Resources estimate is reported above a 50 g/t silver cut-off.

PIRQUITAS MINE

The following disclosure relating to the Pirquitas mine is based, in part, on information derived from a NI 43-101 technical report dated December 23, 2011 entitled "NI 43-101 Technical Report on the Pirquitas Mine, Jujuy Province, Argentina" (the "Pirquitas Technical Report") prepared by Dr. Warwick S. Board, P.Geo., R. Bruce Kennedy, P.E., and Trevor J. Yeomans, ACSM, P.Eng., each of whom is a Qualified Person under NI 43-101. The Pirquitas Technical Report is available for review under our profile on the SEDAR website at www.sedar.com. This disclosure has been updated to include information about the Pirquitas mine subsequent to the date of the Pirquitas Technical Report.

Project Description and Location

The Pirquitas mine is located in the Puna de Jujeña region of northwestern Argentina in the Province of Jujuy, approximately 355 kilometres northwest of the city of San Salvador de Jujuy. The mine consists of 50 semi-contiguous mineral exploitation concessions covering a total area of 3,621 hectares. It also includes surface rights covering an area of approximately 7,463 hectares, which can be used for purposes such as housing, infrastructure facilities, processing plants, waste and tailing disposal sites, and other facilities to support mining operations. We hold a 100% interest in the Pirquitas mine through our wholly-owned subsidiary, Mina Pirquitas, LLC ("MPLLC") (formerly known as Mina Pirquitas, Inc. ("MPI") and Sunshine Argentina, Inc. ("Sunshine Argentina")), which has registered a branch in Argentina. We are also the freehold title holder of the area covered by the surface rights.

Under Argentina's mining laws, exploitation concessions are considered "real property" and give the concessionaire the rights to recover pre-determined metals from the subsurface vertically underneath the concession for an unlimited period of time, as long as the concessionaire complies with its obligations. In order to maintain our rights to the Pirquitas exploitation concessions, we are required to make annual fee or "canon" payments to the Argentine government. The Pirquitas mine is also subject to provincial royalties at a rate of 2.5% on a NSR basis.

In 2014, we secured an exploration lease (or cateo) to explore an extensive adjacent property covering an area of 4,417 hectares. In Argentina, each cateo has an exclusive right to be convertible into an exploitation concession once a mineral discovery has been made. To maintain this cateo, we were required to make a one-time "canon" payment and present to the mining authority a minimum exploration work program and schedule. The term of a cateo is based on its area: 150 days for the first unit (500 hectares), and an additional 50 days for each unit thereafter, up to a maximum of 20 units. After a period of 300 days, 50% of the area over four units (2,000 hectares) must be dropped. At 700 days, 50% of the area remaining over four units (2,000 hectares) must be dropped. Time extensions may be granted to allow for situations such as bad weather and difficult access.

We currently have all material surface and water rights, as well as all material permits, necessary for the continued operation of the Pirquitas mine. Such material permits include environmental permits, which are updated biannually and remain valid and in force. As the production of the Pirquitas mine continues, we may need to obtain additional environmental and other governmental approvals and permits.

For a discussion of environmental liabilities at the Pirquitas mine, see " *Mining Operations – Environmental Conditions*" below.



Map of Argentina Showing the Location of the Pirquitas Mine

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

There are two main access routes to the Pirquitas mine from the provincial capital of San Salvador de Jujuy. Heavy transport vehicles generally follow Highway 9 northwards from Jujuy to Purmamarca, then turn to the northwest on paved road No. 52 and then turn onto gravel road No. 16 heading to the town of Susques. From there, gravel roads No. 74 and No. 74b are followed northwards to the mine. The second route to the Pirquitas mine from Jujuy follows Highway 9 northwards along the Humahuaca Valley to the town of Abra Pampa. From there, gravel roads Nos. 7 and 70 continue westwards to the mine site, passing south of the nature reserve at Laguna Pozuelos.

The Pirquitas mine site is located approximately 850 kilometres by road from the port of Antofagasta in Chile and approximately 2,000 kilometres by road from the port of Buenos Aires in Argentina. The terrain surrounding the mine is mountainous, with elevations ranging from 4,000 to 4,450 metres above sea level (“masl”).

Climate

Below freezing, dry and often windy conditions prevail during winter months (June to August), with moderate temperatures and occasional rains through the rest of the year. Annual precipitation averages approximately 260 mm with most of this falling during the months of December to February.

Local Resources and Infrastructure

The energy requirements of the Pirquitas mine are met by gas-powered generation utilizing a spur gas line connecting the site to the Trans Andean natural gas pipeline that is located approximately 36 kilometres to the south of the mine. The power plant constructed at the site provides all power required for the mine and processing plant.

A water diversion was installed at the San Marcos River, about seven kilometres from the processing plant, and we have water rights to 31 litres per second. A camp site was constructed and is fully operational. The Pirquitas mine is equipped with phone and internet service.

Physiography

The terrain of the Pirquitas mine area is rugged and steep, typical of the central Andean Altiplano which in Argentina is referred to as the Puna. Elevations on the property range from about 4,000 to 4,450 masl. Some 20 kilometres to the north is the extinct volcano of Cerro Granada, which peaks at 5,696 masl. Patchy to sparse shrub and grass vegetation cover the slopes surrounding the mine and provide habitat for a few mammals, including vicuña, puna fox, and the vizcacha, as well as more than 50 species of birds.

Sufficiency of Surface Rights

We own sufficient surface rights necessary for the current mining operations at the Pirquitas mine, including tailings dam and waste rock disposal areas. The processing plant and tailings dam are permitted and operational.

History

The Pirquitas site is the largest historical producer of tin and silver in Argentina. The following is a brief chronological description of mining that has occurred at the site prior to our ownership:

- *1932-1935:* Tin placer deposits were first discovered in the area in 1932. Dredging of the tin placers commenced in 1933.
- *1935-1990:* The bedrock source of the tin placers was discovered in 1935 and mining of the tin and silver lodes started soon thereafter. Reported total metal production during this time is estimated to be approximately 27.4 million ounces of silver, 20 million pounds of tin from placer deposits, and 40.1 million pounds of tin mined from the vein systems.
- *1995-2000:* Sunshine Argentina acquired the Pirquitas property in a bankruptcy auction in November 1995. Sunshine Argentina's exploration program included survey control, geophysical surveys, geological mapping, sampling, and drilling. All accessible underground workings were sampled and mapped. Sunshine Argentina also conducted extensive diamond and reverse circulation ("RC") drilling from surface as well as diamond core drilling from rehabilitated underground workings. A feasibility study was completed for the project by Jacobs Engineering in 1999, and updated by Sunshine Argentina in 2000.

In May 2002, we acquired 43.4% of Sunshine Argentina. In October 2004, we acquired the remaining 56.6% of Sunshine Argentina to complete our acquisition of the Pirquitas mine.

Geological Setting

Regional and Local Geology

The Puna terrane, where the Pirquitas mine is located, underlies most of the western half of Jujuy Province and is marked by a high-Andean geomorphology consisting of northerly trending mountain ranges separated by broad valleys and salars or salt pans. Rocks in this terrane consist of uplifted and folded Ordovician to Devonian marine meta-sediments overlain by Cretaceous to Middle Miocene continental and marine sediments and volcaniclastics, intruded by mafic to intermediate igneous bodies. This sequence is unconformably overlain by sub-horizontal Late Miocene to Pleistocene andesitic to dacitic lavas and ash-flow deposits.

The Pirquitas silver-zinc deposit is hosted by the Ordovician Acoite Formation, a strongly folded package of low-grade metamorphosed marine sandstone, siltstone and minor shale beds. These rocks are exposed within fault-bounded, structural blocks that occur southwest and east of the mine area. Late Ordovician to the Early Devonian compressional tectonism resulted in strong folding and high angle thrust faulting of the Paleozoic sedimentary formations. In the area of the mine, the axial planes of the folds strike NS to NNE-SSW and are sub-vertical to moderately inclined.

Property Geology

At the Pirquitas mine, the main system of sulphide-rich veins cuts the axial surfaces of the folds and the related cleavage fabric at high angles. Two main vein sets are recognized and are described as follows:

- *Vein Set 1:* For the dominant set of structures, the veins strike close to 105° and dip steeply either to the south or north. Major veins in this set include the Potosí, San Miguel, Chocaya-Oploca, San Pedro, Llallagua, Chicharron and Colquiri veins. The Potosí vein is the largest known vein on the property, with a strike length of about 500 metres and maximum thickness of 2.5 metres to 3 metres. The other veins of this set typically have strike lengths of between 50 metres and 150 metres, with average widths of 30 cm to 50 cm. The larger of these veins, such as the Potosí vein, include localised matrix supported breccias with angular clasts of quartz-sericite altered wallrock in a matrix of iron and zinc +/- tin-silver-copper sulphides.
- *Vein Set 2:* The secondary vein set is represented by the Veta Blanca and Colquechaca veins. These veins lie north of the Potosí vein and trend NW-SE.

Mineralization

At the Pirquitas mine, fracture and breccia-hosted mineralization consists of iron and zinc sulphides with accessory cassiterite (tin oxide) and a large variety of silver-tin-zinc (lead-antimony-arsenic-copper-bismuth) sulphides and sulfosalts. Crystalline quartz, along with chalcedony in the upper levels of the system, and kaolinite are the main gangue minerals in the veins and mineralized breccias. The main sulphides, specifically pyrite, pyrrhotite, sphalerite and wurtzite, form colloform bands parallel to vein margins, which together with crustiform and drusy vein textures suggest that the mineralization is epithermal in origin. However, mineralogical evidence indicates that the initial temperature of the mineralizing fluids was possibly greater than 400°C, with the deposition of an initial suite of minerals that were later overprinted by the bulk of the silver mineralization which formed at lower temperatures, and is indicative of epithermal mineralization.

Exploration

Modern mineral exploration was first conducted at the Pirquitas property during the time Sunshine Argentina held the property. Sunshine Argentina carried out several drilling campaigns, involving both RC and diamond core drilling. Sunshine Argentina also completed relatively detailed geological mapping on the property and commissioned approximately 44 line-kilometres of ground magnetics surveying and 19.2 line-kilometres of induced polarization surveying over an area that now has at its center the San Miguel open pit.

In addition to the multiple drilling campaigns we have completed since acquiring the Pirquitas mine, as described in " *Drilling*" below, we have conducted a relatively limited amount of detailed geological mapping in conjunction with intermittent programs of rock chip sampling of bedrock outcrops. Rock chip sampling was also done in a number of shallow trenches that were mechanically excavated on the ridge south of the open pit. The surface rock chip and trench samples were used to help define drilling targets. The rock samples were submitted to recognised commercial laboratories, including the ALS Chemex ("ALS") analytical laboratory in Mendoza, Argentina, using industry standard levels of quality control ("QC") along with standard reference and blank material. We have no reason to doubt the reliability of the geochemical results obtained for the outcrop and trench rock chip samples.

Drilling

Initial drilling on the Pirquitas property was conducted by Sunshine Argentina, which drilled a total of approximately 51,864 metres in 241 drillholes.

Since acquiring the Pirquitas mine in October 2004, we have drilled a total of approximately 146,968 metres in 595 exploration drillholes, as set out in the table below.

Drilling Program	Drilling Type	Drilling Areas[1]	Drilling Objectives	No. of Drillholes	Metres Drilled[2]
May-Sep. 2005	Diamond	Oploca (4), Llallagua (6) Colquechaca (4)	Exploration	14	3,300
May-Dec. 2007	Diamond	San Miguel (24), Cortaderas (6)	Resource Definition/ Exploration	30	7,353
		Open Pit San Miguel (4), Potosí (1)	Metallurgical Samples	5	370
July 2007-Dec. 2008	RC	San Miguel (115), Potosí (52), Oploca (32)	Resource Definition/ Exploration	199	34,181
		Cortaderas (12), Pircas (4), Médanos (10)	Condemnation	26	6,931
July 2010-Mar. 2011	Diamond	San Miguel (38), Oploca (17), Veta Blanca (2), Cortaderas (4)	Resource Definition/ Exploration	61	12,665
Apr.-Sep. 2011	Diamond	San Miguel (69), Cortaderas (5), Other Targets (5)	Resource Definition/ Exploration	79	17,550
Mar.-Nov. 2012	Diamond	Cortaderas (130), Oploca (4), Portal Gravity (8)	Resource Definition/ Exploration	142	52,801
Apr.-May 2013	Diamond	Cortaderas (3), Huanuni (8), Pircas (2), Chicharron (4)	Exploration	17	6,923
Oct.-Nov. 2014	Diamond	Carabajal (5), Vega West (2), Vega East (2), Cintia (2), Huanuni North (2), Médano (4)	Exploration	17	3,177
Nov.-Dec. 2014	Diamond	Chocaya (5)	Resource Definition	5	1,717
			Total	**595**	**146,968**

Notes:
(1) Number of drillholes completed at each target area shown in parentheses.
(2) Figures have rounding applied. Exact totals can be found in the Pirquitas Technical Report.

2005 to 2008 Drilling Programs

The 2005 drilling program was designed to test targets in the Oploca, Llallagua, and Colquechaca areas. The 2007 and 2008 drilling programs included exploration drilling, resource definition drilling, minor drilling for metallurgical testing, and “condemnation drilling” for infrastructure planning. All drilling was done from surface, with the majority of drillholes being RC holes (approximately 84% of the total metreage drilled). Most of the diamond core that was recovered is of HQ-size, however, where necessary, drillhole core size was sequentially reduced to NQ-size and then BQ-size in some longer holes.

All drillhole collar coordinates were surveyed in the UTM Zone 19S coordinate system (WGS84 datum). Downhole surveys were made using a combination of Single Shot (DDH 072-DDH 084) and Reflex EZ-AQ I surveying instruments with readings taken every 50 metres to 100 metres down the holes. Diamond core and RC drillholes were predominantly oriented with azimuths of 15° to 195° (*i.e.*, perpendicular to the predominant mineralization trend), with hole inclinations generally ranging between 45° and 70° (occasionally steeper, but rarely vertical). Drilling recovery generally ranged between 95% and 100% for diamond drillholes, and generally between 80% and 100% for RC drillholes, except where drillholes intersected old underground workings. RC drilling was generally more successful than diamond drilling in reaching planned end-of-drillhole depths where the drillholes passed through the underground workings.

2010 to 2011 Drilling Programs

The majority of this drilling was for resource definition in and around the existing open pit (approximately 89% of the drillholes), with the remaining drillholes being exploration drillholes that targeted the Cortaderas Breccia Zone (approximately 6% of the drillholes) and other exploration targets. Drillholes were generally drilled to generate HQ-size drill cores. Where necessary, drillhole core size was sequentially reduced to NQ-size and then BQ-size in certain longer holes.

All drillhole collar coordinates were surveyed in the UTM Zone 19S coordinate system (WGS84 datum). All drillholes were surveyed for their down-hole orientations using a combination of Single Shot (DDH 119-DDH 132) and Reflex EZ Trac downhole survey tools. Downhole survey measurements were collected at intervals ranging from 3 metres to 50 metres, depending on the degree of deviation noted in the drillhole. Almost all of the drillholes were oriented with azimuths of 15° to 195° (*i.e.*, perpendicular to the predominant mineralization trend). A total of 39 drillholes were oriented with azimuths of 130° to 310°, approximately perpendicular to an inferred secondary mineralization direction that was roughly parallel to the NNE-SSW trending anticline fold axis. This secondary mineralization direction was suggested by a combination of in-pit mapping and detailed geostatistical spatial continuity analyses. Mineralization along this secondary direction was, however, found to be insignificant in comparison to the main WNW-ESE trending vein and veinlet stockwork-hosted mineralization. The inclination of all drillholes was between 45° and 70°, which resulted in the drillholes intersecting the main WNW-ESE trending vertical to sub-vertical veins and stockwork veinlet system at an oblique angle. Drilling recovery for diamond core drillholes generally ranged between 95% and 100%.

The presence of existing underground workings prevented several of the diamond drillholes from reaching their target depths. In such cases, replacement holes were drilled at slightly different orientations from slightly different collar positions, as compared to the original holes, so as to avoid the underground workings, allowing the target depth to be reached.

The earliest drillholes to test the zone of silver- and zinc-rich sulphide mineralization known as Cortaderas Breccia zone, which is located about 500 metres north of the open pit, were drilled from the north side of the target at a shallow angle to the inferred plunge of the mineralized body. As a result, the mineralized intersections of the Cortaderas Breccia Zone that were made by the five drillholes completed in 2011 are essentially down-plunge intersections and do not represent near-true thickness intercepts of the mineralized body.

2012 to 2013 Drilling Programs

To follow up on positive drilling results obtained in 2011, we completed an extensive diamond drilling campaign in 2012. This drilling campaign was principally designed to expand and better define the silver and zinc Mineral Resources identified in the Cortaderas Area located about 500 metres north of the San Miguel open pit. Between March and November of 2012, we completed 142 boreholes totalling 52,801 metres of diamond core drilling on the property. Using the assay results obtained from this drilling, we amalgamated the Cortaderas Breccia and the Cortaderas Valley zones into the Cortaderas Area and prepared an updated estimate of the Mineral Resources found in the Cortaderas Area, with an effective date of December 31, 2012.

In 2013, we completed a diamond drilling campaign of 6,923 metres in 17 drillholes to test geophysical anomalies which were defined east and north of the San Miguel open pit. The results of the drill testing of geophysical targets was negative, however the portion of the 2013 drilling program that was allocated towards geological targets returned positive results intersecting zinc-rich base metal mineralization in the 5% to 10% range over broad 10 to 30 metre widths. We also completed the preliminary economic assessment (“PEA”) on the Cortaderas deposit to assess the economic opportunity of underground mining at Cortaderas and extend the Pirquitas mine life. The results of the PEA, although positive, were not materially significant to the Pirquitas mine.

2014 Drilling Program

In the fourth quarter of 2014, we completed 3,177 metres of surface reconnaissance core drilling in 17 drillholes on prospects proximal to our current open pit operations. The surface drilling program tested six targets with further drilling planned at the Huanuni and Médano targets. We also commenced Mineral Resources upgrade drilling in the San Miguel zone, on the Chocaya and Oploca vein sets, underlying the existing open pit workings. By the end of 2014, we completed five drillholes from existing underground workings, for a total of 1,717 metres. We have intersected multiple sub-parallel vein systems, with grades and mineralized widths in the main veins in line with expectations. We are evaluating the option to extend the original drilling program from the planned 4,700 metres. See "*Exploration and Development*" below.

Sampling and Analysis

2005 to 2008 Drilling Programs

RC Drillhole Samples

Rock cuttings from RC drillholes were collected at regular intervals during the drilling of the holes, typically every one or two metres, depending on the drillhole. The material forming the individual samples was split into smaller representative samples at the drill rig, with the weight of these representative samples averaging about 40 kg. The RC sampling protocol used depended upon whether the sample was dry or wet:

- Dry samples were further split and reduced to approximately one-eighth of the original sample size using a three-tier Jones-style splitter. The remaining material was bagged and stored on-site at Pirquitas. The smaller sample fraction was split again into two 3 to 5 kg samples using a one-tier Jones-style splitter. One of these samples was submitted to the analytical laboratory for sample preparation and analysis, with the other stored on site. Field duplicate control samples were selected from this second batch of samples and submitted when required.
- Wet samples of manageable size were obtained using a cyclone wet splitter at the drill rig. The original sample was initially split in half using the wet splitter, with one-half further split down to a sample consisting of one-eighth of the total sample weight using a three-tier Jones-style splitter. This sample was then split in half to obtain two smaller samples, each one-sixteenth the weight of the total sample. One of these samples was submitted to the analytical laboratory for sample preparation and analysis, with the other stored on site. Field duplicate control samples were selected from this second batch of small samples and submitted when required. All of the remaining seven-eighths of a given sample are stored on site.

Diamond Drillhole Core Samples

Diamond drillhole core was transported from the drill site to the core shack by pickup truck. The core was photographed, geotechnically logged (recovery and rock quality designation ("RQD")) and geologically logged (lithology, alteration, mineralogy, mineralization, and structure). Sample intervals were marked on the drill cores and core boxes by a geologist.

Drillhole cores were generally sampled on one metre intervals, starting from the top of the drillhole, with some sample intervals chosen to take into account lithological contacts. Drill cores from underground drillholes were sampled on 0.3 metre to 2.0 metre intervals, again with lithological contacts being accounted for. Drill core samples were generated by sawing the cores in half using a diamond table-saw. For each sample, one half of the drill core was stored in core boxes at site, with the other half of the core being submitted to the analytical laboratory for sample preparation and analysis. Field duplicate control samples were generated from selected quarter-cores that were sawn from half-core samples.

Quality Control Procedures

ALS is an international analytical laboratory with most of its analytical facilities being registered or pending registration to ISO 9001:2008 certification. ALS is independent from Silver Standard. Our QC program for the 2005 to 2008 drilling programs utilized standard reference samples, unmineralized “blanks”, field duplicate samples as well as third party analytical laboratory check assays. Standard, blank, and field duplicate control samples were inserted into the sample stream on a one in twenty basis, for both RC and diamond drillholes. Approximately 5% of the total number of submitted samples were submitted to the third party analytical laboratory for check assaying. QC samples included six different reference standards (covering a representative range of silver, tin, and zinc contents), blanks generated from barren sandstone, and field duplicates. We have reviewed the QC results from the 2005 to 2008 drilling programs. The control values (mean, standard deviations) of the standard reference samples were not initially correctly calibrated, resulting in extensive failures of the field standard control samples relative to no failures in the analytical laboratory standard control samples. Recalibration of these values indicated that the key assay data from the 2005 to 2008 drilling programs are unbiased and accurate, and suitable for use in Mineral Resources estimation. Field blank control samples indicated that sample cross-contamination was not an issue during the analytical work. Field duplicate control samples, while indicating a degree of variability in the assay data, were reported at acceptable levels of precision for silver, tin, and zinc, given the “nugget effect” (inherent variability) and the variability associated with quarter-core versus half-core samples.

2010 to 2014 Drilling Programs

Sampling

All drillhole samples generated from the 2010 to 2014 drilling programs were diamond drillhole core samples. Drill cores were transported from the drill site to the core shack by pickup truck. The cores were photographed before being geotechnically logged (recovery and RQD) and then geologically logged (lithology, alteration, mineralogy, mineralization, and structure), with relevant logging codes recorded in accordance with our standard logging protocols.

Drillhole core sampling was conducted subsequent to geological logging. Sample intervals were marked on the cores and core boxes by a geologist, with sample intervals selected so as to take into account lithological contacts. Sample lengths were generally up to two metres in waste rock and one metre or less in mineralized rock. A minimum sample length of 0.1 metres was imposed on samples from highly mineralized structures such as veins, stockworks and hydrothermal breccias. Core samples of 10 cm lengths were collected at intervals of 10 metres to 20 metres down each of the drillholes for the purpose of point-load testing by the Pirquitas Mine Geotechnical Department. Drill core samples for geochemical analysis were generated by sawing the cores in half using a diamond table-saw. Half of the cores are stored on site, with the other halves being submitted to the analytical laboratory for sample preparation and analysis. Field duplicate control samples were generated from quarter-core sawn splits of selected samples.

Quality Control Procedures

We used a similar QC protocol for the 2010 to 2014 drilling programs as we used in the 2005 to 2008 drilling programs. Standard, blank, and field duplicate control samples were inserted into the sample stream on a one in twenty basis. QC sample data were monitored on a real-time basis (upon receipt of data from the analytical laboratory) to ensure that sample batches with control sample data outside of acceptable limits were re-submitted for analysis in a timely manner. Approximately 5% of the total number of submitted samples will be submitted to a third party analytical laboratory for check assay, but no check lab was used in 2013 or 2014. QC samples included three reference standard samples, unmineralized “blank” samples and field duplicate samples. The three reference standards were created for the Pirquitas deposit by CDN Resources Laboratories Ltd., and certified by Smee & Associates Consulting Ltd. following round robin analysis at five independent analytical laboratories. Based on the results of the standard control samples, the assay data generated as part of the recent 2010 to 2014 drilling programs are unbiased and accurate, and suitable for use in Mineral Resources estimation. Field blank control samples indicated that sample cross-contamination was not an issue during the analytical work. Field duplicate control samples, whilst indicating a degree of variability in the assay data, were reported at acceptable levels of precision for silver, tin, and zinc, given the nugget effect (inherent variability) and the variability in sample volume associated with quarter-core versus halfcore samples.

Data Verification

The following data verification steps were taken in respect of the sampling and assaying conducted at the Pirquitas mine:

- Visits to inspect geology and mineralization in the open pit (San Miguel and Potosí zones) and underground in the Oploca vein zone.
- Detailed review of selected drillhole core from the Mining and the Cortaderas Areas, to assess the nature of the mineralization, and the effectiveness of the selected drilling orientation in the delineation thereof.
- Ongoing input into exploration drilling, and real-time involvement in drillhole location, downhole survey validation, and assay data validation.
- Drillhole collar locations were confirmed with the Pirquitas mine site geologists. The drillhole collar locations were validated by an independent surveyor.
- The locations of pre-existing underground mine workings relative to underground channel samples were checked.
- Downhole survey data were reviewed for all drillholes to assess drillhole traces.
- QC information for all exploration drilling programs conducted on the Pirquitas property was analysed.
- Approximately 10% of the pre-2010 drilling assay data set was checked and compared to the original assay certificates, to generate additional confidence in this data.
- Review of grade control drilling data (including spatial analysis of silver, zinc, and tin data) in the upper parts of the deposit in the Mining Area to assess continuity models for the relevant grade variables in the different zones.
- Detailed checks of assay data from the 2010 to 2014 drilling program in conjunction with our database manager, with iterative correction for any anomalies (generally typographic errors, including mislabelled samples and mislabelled sample intervals).
- Review of real-time QC data monitoring by our site staff, especially timing and effectiveness of remedial action taken with respect to failed batches.
- Comparison analyses were conducted between data derived from different drilling (and underground channel sampling) generations and types (e.g. RC, diamond core drilling) to validate their use in a single database.
- Data was validated at each manipulation stage throughout the database compilation until the completion of Mineral Resources grade tonnage estimates.

All assay data are provided directly to us by the relevant analytical laboratory, and directly imported into the DataShed database management system. We checked a randomly selected proportion (10%) of the 2010 to 2014 assay data in the DataShed Pirquitas assay database against the assay certificates provided by ALS and no errors were noted.

Sample Security

Drillhole core and samples were in our custody from collection, through labeling and bagging, to initial transportation from the Pirquitas mine to our Jujuy office. Thereafter they were in the custody of independent transportation companies which transported them to ALS in Mendoza. Sample bags were sealed at the mine and none of the seals were reported tampered by the receiving analytical laboratory. We are not aware of any deliberate attempts to compromise samples.

Mining Operations

Mining Method

The Pirquitas mine uses a standard open pit mining method, and has a current mining rate of approximately 50,000 tonnes per day of ore and waste combined. The mine undertakes conventional drilling and blasting activities with a pre-split to ensure stable wall rock conditions. RC grade control drilling is used in the pit to define the structurally controlled vein and breccia hosted ore zones.

Metallurgical Process

The Pirquitas mine processing plant consists of primary, secondary and tertiary crushing operations which deliver ore to a stockpile. The maximum crushing circuit throughput is currently around 6,850 tonnes per day although long term plans allowing for good maintenance protocols call for rates around 5,500 tonnes per day. Ore is transferred from the stockpile to a pre-concentration system that consists of jigs to upgrade the crusher grade to a higher grade mill feed.

Wet milling is performed on the feed from the jig plant and can be augmented by a by-pass feed system in the event of jig downtime or milling capacity in excess of jig capacity. The maximum wet milling throughput is currently 5,400 tonnes per day although long term plans allowing for good maintenance protocols call for rates under 5,000 tonnes per day. Mill discharge is pumped through a cyclone system and oversize is fed back into the mill for additional grinding. Fines are fed into a conditioning and reagent addition tank and then flow into the silver flotation circuit.

The tailings from the silver flotation process are routed to a separate conditioning tank and from there flow to the zinc flotation circuit. Tails from the zinc flotation circuit can be directed to the tailings thickener. Tailings are thickened and stored at a permitted facility on-site.

Mine Life and Production Forecast

The Mineral Reserves estimate as at December 31, 2014 reflects changes to metal price assumptions and updates, based on current knowledge of processing and treatment costs, of the cut-off grade used, resulting in a reduction in cut-off grade to $33.26 per tonne NSR using a silver price of $19.00 per troy ounce, from $35.52 per tonne NSR using a silver price of $25.00 per troy ounce, as reported in the Pirquitas Technical Report. As a result, open pit mining at the Pirquitas mine is estimated to end in 2017, with processing to continue thereafter. During the mine life, a stockpile will be developed and used as needed, but will constitute the majority of the plant feed once mining has ended.

Our production forecast for 2015 is 9.0 to 10.0 million ounces of silver and 10.0 to 12.0 million pounds of zinc.

Markets and Contracts

The Pirquitas mine produces a silver concentrate and a zinc concentrate. These concentrates are sold to smelters and metals traders globally. The Pirquitas mine receives payment based upon an agreed percentage of metal in the concentrate that is payable by the smelter or trader, less deductions for smelting, refining and penalty elements where applicable.

We have been successful in placing our 2015 annual production tonnage of Pirquitas mine concentrate with buyers. However, future sales and contract terms will depend on market conditions at the time of negotiation and sale.

Taxes and Duties

We entered into a fiscal stability agreement (the “Fiscal Agreement”) with the Federal Government of Argentina in 1998 for production from the Pirquitas mine, which provided entitlement to fiscal stability benefits under Argentina’s Mining Investment Law. Such fiscal stability benefits included, among others, that the annual income tax rate would be set at approximately 33% of net income for the Pirquitas mine.

In December 2007, the National Customs Authority of Argentina (Dirección Nacional de Aduanas) ("DNA") levied an export duty of approximately 10% from concentrates for projects with fiscal stability agreements pre-dating 2002 and the Federal Government has asserted that the Pirquitas mine is subject to this duty. We have challenged the legality of the export duty applied to silver concentrate and the matter is currently under review by the Federal Court (Jujuy) in Argentina. See "*Legal Proceedings – Export Duties*".

Effective as of December 31, 2014, MPI was converted from a Delaware corporation to a Delaware limited liability company, MPLLC, and MPLLC is not subject to U.S. income tax. MPLLC is subject to withholding tax in Argentina on interest received from its Argentina branch at a rate of 35%.

As the Pirquitas mine is in operation, we are subject to VAT. Such VAT paid is recoverable from Argentina's national taxation office. The process to recover VAT is highly regulated, complex and, at times, lengthy, but we anticipate recovering all VAT paid.

Environmental Conditions

In December 1998, consulting engineering firm Knight Piésold LLC ("Knight Piésold") completed an environmental impact report ("EIR") for Sunshine Argentina. The EIR contained a description and evaluation of environmental conditions that existed at the time, as well as foreseeable potential effects that development of the Pirquitas mine could have on the surrounding environment. The scope of the EIR was commensurate with the norms for environmental protection associated with Argentina's applicable mining laws and guidelines established by international lending institutions such as the World Bank. The discussion below is either paraphrased or taken directly from the EIR.

Remnants of historic mining activities at the Pirquitas mine included derelict buildings, mine structures as well as tin-silver jig tailings and tin placer tailings along the Río Pircas. Flotation tailings had been discharged into the Río Pircas and scattered piles of gold placer tailings were left about 150 metres above the current level of the Río Pircas on paleo-river terraces to the south of the central mine camp. These areas comprise some 107 hectares of surface disturbance that existed prior to Sunshine Argentina's acquisition of the Pirquitas property, some of which are now associated with acid rock drainage into the Pircas River watershed.

Surface and ground waters are known to be acidic and metalliferous down gradient from the historic mines above the Río Pircas canyon at Tres Placas, which is located approximately 1.5 kilometres downstream from the Pirquitas mine open pit. In addition, acidic and metalliferous ground water is present in the abandoned underground workings and in some natural springs in the area, suggesting that natural oxidation of sulphide mineralization which is widespread in the rocks found on the property is also contributing to background surface water contamination.

Upon its acquisition of the Pirquitas property, Sunshine Argentina noted that documents in the bankruptcy auction files did not mention environmental liabilities against the property, but did mention that Sunshine Argentina was "grandfathered" against environmental liabilities related to historic mining activities. Furthermore, the only condition the Argentina Ministry of Mines and Energy applied to its approval of Sunshine Argentina's EIR, apart from the mandatory two-year update to the report, was the requirement that water quality monitoring be carried out.

In 2008, a second EIR was completed by Knight Piésold following start-up of mining activities and initiation of plant construction. While there were no observations or restrictions placed on us at that time, this study began a focus on the water management plan and on conceptual plans for mine waste stockpiles. A conceptual water treatment plant for neutralization of acid waters was anticipated with a treatment capacity estimated to be as much as 150 litres per second.

A party wishing to commence or modify any exploration or mining-related activity under Argentina's mining laws, including property abandonment or mine closure activity, must prepare and submit an EIA, which much include a description of the nature of the proposed work, its potential risk to the environment and the measures that will be taken to mitigate that risk. The most recent update to our EIA for the Pirquitas mining operation was undertaken by Knight Piésold, and included engineering studies for the design of water management structures and mine closure design. Such EIA update was approved in December 2014 and is valid for a period of two years.

Argentina currently has no specific mine closure legislation or requirements. However, we expect that closure options will eventually have to be proposed that may include passive or active neutralization features to return water to baseline conditions (acidic at the time of baseline studies) with some monitoring requirements. See "*Risk Factors*".

Exploration and Development

We are focused on near-mine exploration at the Pirquitas mine to identify additional Mineral Resources to extend the life of current operations. In support of these activities, in 2014, we secured an exploration lease (or cateo) to explore an extensive adjacent property covering an area of 4,417 hectares. We have commenced a field exploration program, which has defined several prospective areas with drill targets, located within a three kilometre radius of the active open pit. These targets hold potential for silver-zinc mineralization in open pit and underground configurations.

Initial drill testing on these areas was performed in the fourth quarter of 2014 and we completed 3,177 metres of surface reconnaissance core drilling in 17 drillholes on prospects proximal to our current open pit operations. Results from this surface drilling show that two targets outside the San Miguel pit area warrant further assessment, as they yielded anomalous silver results. Closer to the San Miguel pit, the Médano target will be assessed further from underground.

Mineral Resources upgrade drilling also commenced in the San Miguel zone, on the Chocaya and Oploca vein sets, underlying the existing open pit workings. By the end of 2014, we completed five drillholes from existing underground workings, for a total of 1,717 metres. We have intersected multiple sub-parallel vein systems, with grades and mineralized widths in the main veins in line with expectations. Drilling continues and a detailed geotechnical assessment is underway. We are evaluating the option to extend the original drilling program from the planned 4,700 metres. Studies have also commenced to assess the potential for underground, high-grade mill feed from these vein systems and will continue through the first half of 2015.

MARIGOLD MINE

The following disclosure relating to the Marigold mine is based, in part, on information derived from the Marigold Technical Report prepared by James N. Carver, SME Registered Member, Karthik Rathnam, MAusIMM (CP), Thomas Rice, SME Registered Member, and Trevor J. Yeomans, ACSM, P.Eng., each of whom is a Qualified Person under NI 43-101 and an employee of Silver Standard. The Marigold Technical Report is available for review under our profile on the SEDAR website at www.sedar.com. This disclosure has been updated to include information about the Marigold mine subsequent to the date of the Marigold Technical Report.

Project Description and Location

The Marigold mine is located in southeastern Humboldt County, in the northern foothills of the Battle Mountain Range, Nevada, U.S.A. The mine is situated approximately 3 miles (5 kilometres) south-southwest of the town of Valmy, Nevada at Exit 216, off Interstate Highway 80. Other nearby municipalities include Winnemucca and Battle Mountain, Nevada, which are located approximately 36 miles (58 kilometres) to the northwest and 15 miles (24 kilometres) to the southeast of the Marigold mine, respectively.

The authorized plan of operations ("PoO") area of the Marigold mine currently encompasses approximately 19,560 acres (7,916 hectares), with approximately 5,010 acres (2,028 hectares) within the PoO permitted for mining-related disturbance. Land and mineral ownership within the PoO for the mine are generally noted as having a "checkerboard" ownership pattern. Mineral claims in the State of Nevada are federally-based and managed by the BLM.

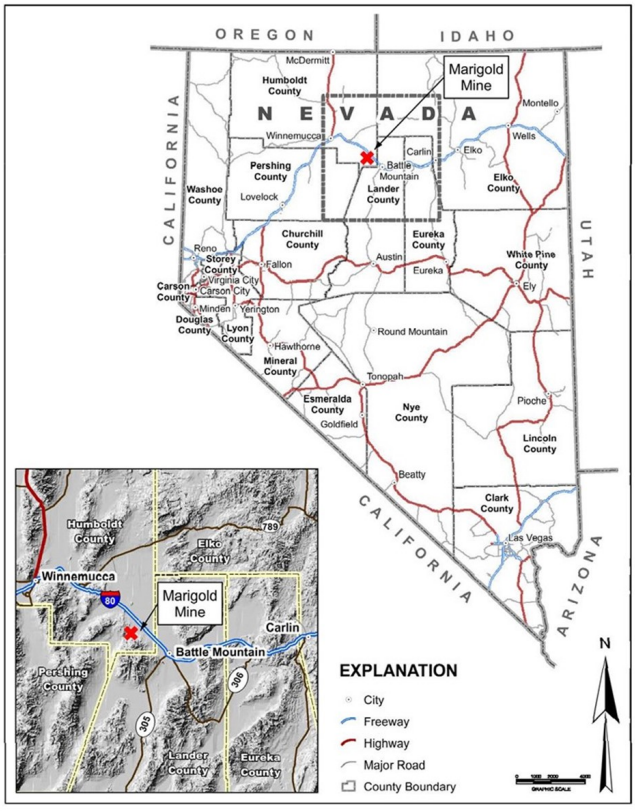
We hold a 100% interest in the Marigold mine through our wholly-owned subsidiary, Marigold Mining Company. The surface and mineral rights we hold at the Marigold mine are comprised of: (a) certain real property; (b) a total of 229 unpatented mining claims; and (c) leasehold rights with respect to a total of 411 unpatented mining claims and millsite claims and certain surface lands.

In accordance with each of the leases in respect of which we hold leasehold interests, we are required to make certain NSR royalty payments to the lessors and comply with certain other obligations, including completing certain work commitments or paying taxes levied on the underlying properties. Such NSR royalty payments are determined based on the specific areas of the Marigold mine that gold is extracted from and are payable when the related gold ounces extracted from such areas are produced and sold. The NSR royalty payments vary between 3.0% and 10.0% of the value of gold production net of offsite refining costs, which equates to an annual average ranging from 9.1% to 10.0%.

We hold active, valid permits for all current facets of the mining operations at the Marigold mine as required by county, state, and federal regulations, with the exception of any mining potentially conducted below the water table. We perform duties on leased lands pursuant to all federal and state requirements, and all of the leases in respect of which we hold leasehold interests are maintained in good standing. We also engage in concurrent reclamation practices and are bonded for all permitted features of the Marigold mine, as part of the State of Nevada permitting process.

Various waste dumps are located in the vicinity of the Marigold mine. Waste dumps are placed in lifts, with benches left on outside edges. With the short lifts and benches on the waste dumps, there has been no dump stability issues at the Marigold mine. The trout creek water diversion structure and flood control dam is located just east of the former Basalt Pit. It is designed for a 100-year storm event. The tailings storage facility has been decommissioned and reclaimed.

We will prepare a further Environmental Impact Statement (“EIS”) to permit the future mining of all pits to their planned maximum depths. The environmental baseline studies were initiated in 2013 to support the EIS process, which is anticipated to begin in early 2015. We have a reasonable expectation that all necessary operating permits will be granted within required timeframes to implement our life of mine plan. For a discussion of environmental liabilities at the Marigold mine, see “*Mining Operations – Environmental Conditions*” below.



Location of the Marigold Mine

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

Access to the Marigold mine is via a three mile long public road consisting of hard packed clay and gravel, emanating from the Valmy, Nevada exit (Exit 216) off Interstate Highway 80.

Climate

The climate is typical of that seen throughout the Great Basin region of the western U.S.A., with temperatures ranging from highs of 104°F in summer to lows of 20°F in winter. Annual precipitation is relatively low, ranging from six to eight inches per year, with approximately 50% of precipitation occurring as snowfall during the months of December through March. The climate presents no restriction on the operating season and the Marigold mine operates year round.

Local Resources and Infrastructure

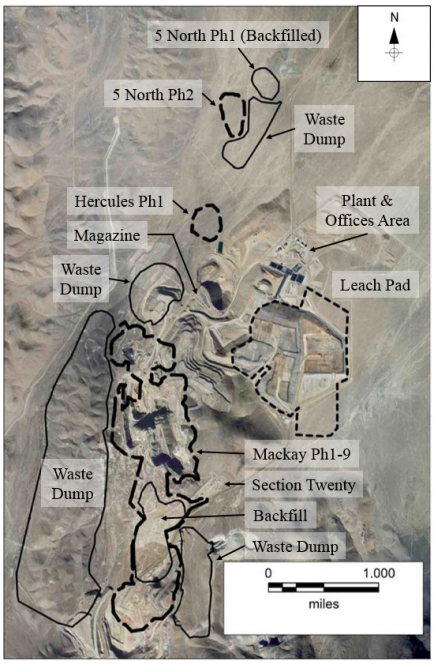
The Marigold mine has significant infrastructure existing onsite for delivering power and water to the various mine shops, leach pad, and process and ancillary facilities. The property is located in a favorable area for natural resource development with significant existing resources to support the mining industry. The nearby towns of Winnemucca and Battle Mountain, Nevada host the majority of the local workforce. Contractor support, transportation, and general suppliers are all readily available in these communities as well as in Elko, which is located approximately 142 kilometres east of the Marigold mine and serves as a major hub for mining operations in northern Nevada. Employees are transported to the mine primarily by contract buses and light duty vehicles owned by us.

Electrical power is supplied to the Marigold mine from NV Energy, Inc. via an existing 120 kV transmission line and routed through a 25 kV grid.

Water for the Marigold mine is supplied from three existing groundwater wells located on the property, and we own groundwater rights collectively allowing up to 828 million gallons of water consumption annually, the majority of which is used as makeup water for process operations. Approximately 1,400 gallons per minute of fresh water is required during peak periods in the summer months. The water is primarily consumed by retention in the heap leach pads, evaporation, processing operations and dust suppression.

The infrastructure facilities at the Marigold mine include ancillary buildings, offices and support buildings, access roads into the plant site, source of electrical power and power distribution, source of fresh water and water distribution, fuel supply, storage and distribution, waste management and communications. The overall site layout of the Marigold mine is shown in the figure below.

The tailings storage facility has been decommissioned and reclaimed. The only remaining activity concerning this facility is ongoing well monitoring. See "*Mining Operations – Environmental Conditions*" below.



Marigold Life of Mine Site Map Showing Final Pit Limits and Waste Dumps and Leach Pads

Physiography

Elevations at the Marigold mine range from approximately 4,500 feet to approximately 6,200 feet above mean sea level. Terrain varies from relatively flat alluvial plain through sloped foothills at the base of the Battle Mountain Range. Vegetation is comprised mainly of sagebrush, rabbit brush and a variety of grasses and forbs. Fauna are not abundant on the property primarily due to the lack of surface water and limited forage. No threatened or endangered plant or animal species have been noted in the Marigold mine's operating area.

Sufficiency of Surface Rights

We own sufficient surface rights necessary for the current mining operations at the Marigold mine.

History

The following is a brief chronological description of mining that has occurred at the Marigold mine prior to our ownership:

- *1938-1968:* The first recorded gold production from the Marigold property was from the underground mine in 1938. Approximately 10,000 tons of ore averaging about 0.200 ounces per tonne gold was processed before World War II halted production. Several unsuccessful attempts to open and operate the mine were made before exploration activities began in 1968.
- *1968-1985:* Several companies conducted exploration programs in the Marigold area, completing a total of 126 exploratory drillholes. From 1983 to 1984, the Marigold Development Company excavated a small open pit over the historic Marigold underground workings, producing 3,100 tons containing 271 ounces of gold. In 1985, Vek/Andrus Associates drilled three holes in the Section 8 area of the Marigold property, just northeast from the old underground mine. Following encouraging results from this drilling, Cordex Exploration Co. ("Cordex"), an exploration syndicate composed of, among others, Lacana Gold Inc. ("Lacana") and Rayrock Mines Inc. ("Rayrock Mines"), leased the Vek/Andrus Associates claim block in September 1985 and began a drilling program in November 1985 that resulted in the discovery of the 8 South ore body.
- *1986-1992:* Following further drilling in the 8 South area in the spring of 1986, a joint venture between SFP Minerals Corporation and the Cordex group consolidated some of the land holdings over the Marigold area. In March 1988, Rayrock Mines made a production decision on the 8 South deposit and, in August 1989, the first gold doré bar was poured at the Marigold mill. In March 1992, Rayrock Mines purchased a two-thirds ownership interest in the property, and Homestake Mining Company ("Homestake"), which had taken Lacana's interest through previous corporate mergers, held the remaining one-third ownership interest.
- *1994-2001:* In 1994, Marigold became a run of mine ("ROM") heap leach operation. In March 1999, Glamis Gold Ltd. ("Glamis Gold") purchased all of the assets of Rayrock Mines, resulting in Glamis Gold holding a two-thirds ownership interest in the Marigold mine, with Homestake continuing to hold a one-third ownership interest. By January 2001, a total of one million ounces of gold had been recovered from the property. In July 2001, Glamis Gold released a revised NI 43-101 technical report to present the Mineral Resources and Mineral Reserves for recently discovered mineralization in the "checkerboard" square known as Section 31.
- *2006-2013:* In 2006, Glamis Gold merged with Goldcorp, resulting in a subsidiary of Goldcorp holding a two-thirds ownership interest in the Marigold mine, as operator, and Homestake, which had been acquired by Barrick in 2001, continuing to hold the remaining one-third ownership interest. By mid-2009, two million ounces of gold had been recovered from the property.

On April 4, 2014, we completed the acquisition of the Marigold mine from subsidiaries of Goldcorp and Barrick.

Geological Setting

Regional Geology

The Marigold mine is located on the northern margin of the Battle Mountain – Eureka trend of mineralization, in the Battle Mountain Mining district, in north central Nevada, U.S.A.

From east to west, the regional geology of the Basin and Range province is recognized as belonging to four distinct terranes. In western Nevada, accreted island arc and ocean floor rocks predominate; in east-central Nevada, accreted terranes were thrust eastward over cratonic basement; and in eastern Nevada, shelf sediments and a metamorphic belt are mapped.

Together the four terranes represent a complex history of extensional and compressional tectonics with the growth of the western part of the North American continent from the Proterozoic through to the Quaternary. Predominantly Paleozoic rifting and basin subsidence led to the formation of thick (thousands of feet) passive margin sedimentary sequences, and repeated interplate collisions caused accretion of arc related volcanics and ocean floor rocks which were pushed together with the basin sediments to form fold and thrust belts. Later extension related to subduction and back arc basin rifting resulted in the development of basin and range topography. Crustal thinning caused by the extension allowed the rise of magma close to the surface which produced extensive and voluminous magmatism from the mid Eocene to late Miocene. Crustal extension with bi-modal volcanism occurred in the region from the late Miocene to the present day.

Local and Property Geology

Three packages of passive margin sedimentary Paleozoic rocks are present at the Marigold mine. In ascending order, these are: the Valmy Formation; the Antler sequence; and the Havallah sequence. All of these rocks host minable gold on the property.

- *Valmy Formation:* The oldest known rocks in the Marigold area belong to the Ordovician Valmy Formation. These rocks consist of relatively deep water deposits of which three horizons are recognized: a lower succession interbedded quartzite and argillite; an intermediate package composed of meta-basalt, chert, and argillite; and an upper package of quartzite and argillite very similar to the lower unit. Uplift of the Valmy Formation rocks and creation of a paleo-highland occurred as a result of regional uplift and erosion during the upper late Devonian to Mississippian Antler orogeny. The top of the Valmy Formation marks a major regional depositional angular unconformity with the overlying Antler sequence. The contact is clearly marked with the abrupt transition from the underlying deformed fine to medium grained sedimentary rocks to the coarse clastic material of the Battle Formation.
- *Antler Sequence:* The Antler sequence is composed of Pennsylvanian to Permian-aged rocks assigned to three formations: the basal Battle Formation; the Antler Peak Limestone; and the Edna Mountain Formation. These formations consist of a sequence of continental shelf sediments including conglomerate, sandstone, limestone, chert and barite that were deposited in marine basins and troughs adjacent to the paleo-highland of Ordovician Valmy Formation. The Antler sequence rocks are relatively un-deformed except for Basin and Range fault offsets or tilting due to rotation along normal faults. The contact with the overlying Havallah sequence is unconformable and the Golconda thrust forms the boundary between them.
- *Havallah Sequence:* The uppermost package of Paleozoic rocks exposed at the Marigold mine is the Mississippian-Permian Havallah sequence. The Havallah is an assemblage dominated by siltstone, meta-volcanic, chert, sandstone and carbonates. These deep water marine units were obducted, as the sequence was pushed eastward along a basal thrust onto partially contemporaneous continental shelf sediments. The age of the tectonism is generally accepted to be late Permian. It is believed that both the age and distance of transport along the thrust is unclear, although evidence for tectonism is strong with the sequence being highly deformed and sliced into numerous blocks of contrasting rock types and structural style by both low and high angle faults.

At the Marigold mine, late Cretaceous narrow, or thin, porphyritic granodiorite to dacite dykes and sills are exposed in outcrop or by mining. These dykes generally intrude the stratigraphic package at high angles and trend northwest. Tertiary and Quaternary alluvium with intercalated tuff horizons and occasional basalt flows covers two-thirds of the bedrock geology on the property.

Mineralization

The deposits at the Marigold mine have been described as a “distal-type sediment-hosted gold-silver deposit”, related to Cretaceous to Eocene magmatism.

The distribution of gold on the property is controlled by a combination of structure and stratigraphy. The general shape of the zones of mineralization are tabular, and geometries and attitudes appear to mimic those of bedding. Mineralized pods dip moderately-to-shallowly to the west and become steeper in and adjacent to the N10°E to N20°W normal faults. Gold mineralization is also concentrated at the intersection of these faults.

Sulphide mineralization occurs in favorable horizons and structural locations within sedimentary host-rocks and is a mix of pyrite, arsenopyrite, free gold, and assorted auriferous sulfides. Oxide mineralization was formed by the weathering of the sulphide mineralization as uplift and erosion exposed the deposit to the near surface environment. Ground water penetrated the Marigold deposits along fractures and faults, and over time, the sulphide minerals were oxidized. In the process of weathering, microscopic gold was liberated from sulphide material and deposited along with secondary minerals such as limonite and other oxide materials along fractures within the rocks.

The table below provides the key stratigraphic and structural elements controlling the mineralization at each deposit.

Deposit Name	Main Control on Mineralization	Host Rock	Length (m)	Width (m)	Thickness (m)	Preferred Trend in Plan
Antler	Favorable host rock	Antler- quartzite and argillite	722	177	40	NS
Basalt	Favorable host rock	Valmy- quartzite, argillite meta-basalt	1000	325	25	NS
Target II	Favorable host rocks and structural intersections	Edna Mtn, Antler, Battle conglomerate Valmy-quartzite	700	100	30	NS
Mackay	Favorable host rocks and steep structures	Valmy quartzite	3600	700 – 900	Number of zones up to 30	NS
8 South (included in Hercules)	Favorable host rocks and structures	Edna Mtn and Antler Peak Limestone	300	100	Up to 35	NS
5 North Phase 1	Favorable host rocks	Edna Mtn	260	90	10	NS
5 North Phase 2	Steep structure and favorable host rocks	Antler Peak Limestone	250	50	20	NNW

Exploration

After our acquisition of the Marigold mine, we initiated a review of the exploration activities conducted by previous owners. Based on this review, we initiated a gravity survey at a grid spacing of 500 feet by 500 feet in areas not previously covered by a gravity survey. The main objective of this work was to delineate possible fluid conduits or feeder structures for the Marigold mineralization.

The planning and design of this gravity survey was contracted to James L. Wright of JL Wright Geophysics, Spring Creek, Nevada. The field data collection and execution of the survey was undertaken by Magee Geophysical Services LLC of Reno, Nevada. The gravity measurements were collected from 1,358 stations using two La Coste & Romberg Model-G gravity meters. A total of 40 planned stations were skipped due to active mining and/or unsafe ground conditions.

Topographic measurements were collected simultaneously with the gravity readings at each station using the Real-Time Kinematic (RTK) GPS method. Where it was not possible to receive GPS-based information via a radio modem, the Fast-Static (post-processing) method was used.

The gravity data collected was processed and interpreted by James L. Wright of JL Wright Geophysics. The data processing involved removal of spurious anomalies produced by dumps and leach pads. The survey successfully defined and confirmed the north-south structural zone as well the north-east and north-west structures. Coupled with other historical geophysical programs conducted by previous owners of the Marigold mine, this information has provided a more complete structural understanding of the subsurface geology at the property to aid in our exploration program.

Drilling

Prior to our acquisition of the Marigold mine, as at December 31, 2013, a total of 6,860 drillholes for approximately 4,453,452 feet of drilling had been completed on the Marigold mine. The first hole was drilled in 1968 and drilling continued sporadically until 1985, when Cordex began systematic exploration of the 8 South area.

Since acquiring the Marigold mine in April 2014, we have completed a total of 117 drillholes for 75,094 feet of drilling, as set out in the table below.

Year	Company	No. RC Holes	RC Feet[1]	No. Diamond Holes	Diamond Feet[1]	Total Holes	Total Feet[1]
1968-1985	Various exploration and mining groups	126[2]	23,088[2]	-[2]	-[2]	126	23,088
1985-1999	Cordex and Rayrock Mines	2,350	1,093,585	8	7,139	2,358	1,100,724
1999-2006	Glamis Gold	2,498	1,589,958	8	6,659	2,506	1,596,617
2006-2013	Goldcorp	1,856	1,706,570	14	26,453	1,870	1,733,023
2014	Silver Standard	116	71,040	1[3]	4,054[3]	117	75,094
	Total	**6,946**	**4,484,241**	**31**	**44,305**	**6,977**	**4,528,546**

Notes:
(1) 1 foot is equal to approximately 0.3048 metres.
(2) No documentation of drilling method at the Marigold mine is available for these drillholes. However, before RC drilling became widely adopted in the mid-1980s, conventional single tube drilling was often relied upon as the exploration drilling technique. It is suspected that single tube drilling was used during this time period, with only occasional diamond drillholes utilized.
(3) Only one diamond core drillhole was completed at the end of 2014. Two diamond core drillholes were in progress and the total diamond core footage drilled during 2014, including the completed diamond core drillhole, was approximately 9,284 feet.

Various Exploration and Mining Groups: 1968 to 1985

There are no documents available detailing the specific type of drilling and sampling procedures used with these programs. It is assumed that conventional single tube drilling was used during this time period, with only occasional diamond drillholes utilized. These drillholes are located in areas that have been mined or are outside of the current resource area of the Marigold mine.

Cordex and Rayrock Mines: 1985 to 1999

Drilling by Cordex and Rayrock Mines was predominantly by RC, with drillhole diameters between 5.5 inches and 6 inches. Drilling until 1994 had mainly targeted the high grade zone (greater than 0.05 ounces per tonne gold) in the 8 South deposit with a focus on gold recoverable in a mill and cyanide gold recovery circuit. In 1994, as these higher grade zones were depleted, the decision was made for the operation to begin to migrate to a ROM heap leach operation. Consequently, the exploration strategy at the Marigold mine was adjusted to explore for and discover large tonnage ore deposits with average grades equal to or greater than 0.01 ounces per tonne gold.

Prior to 1994, no downhole surveys were performed to measure the drill deviation in angle and azimuth on drillholes. After 1994, selected drillholes were surveyed for drillhole deviations using gyroscopic drillhole survey tools and various survey contractors.

Glamis Gold: 1999 to 2006

RC drillholes were generally 5.5 inches in diameter and were sampled on five foot intervals. Water was injected as part of the RC drilling process. The samples were split by a wet rotary splitter and collected in a sample bucket. These samples were then scooped into two pre-numbered (drillhole number and footage) sample bags weighing approximately five to ten pounds each. One sample bag was dispatched to the laboratory while the other sample bag was stored for a period of three months. Representative rock chip samples were collected using a sieve and stored in compartmentalized chip trays for logging and archive. The chip trays were numbered to coincide to the drillhole and the sample bags. The numbered sample bags and chip trays were provided to the contract drilling company by the Marigold exploration geologists or geotechnicians, and samples were collected by the drilling company. Sample loss by recovery was noted on the logging sheets from broken (fault) zones where drill recovery was low or there was no recovery.

RC sample chip trays were transported to the logging shed while the sample bags were taken to the onsite laboratory for assaying. During high production drilling campaigns, the onsite mine laboratory was unable to process all of the samples. When this occurred, excess samples were dispatched to external laboratories for analysis.

Diamond core drilling intervals were halved either using a core saw or a core splitting machine prior to sampling, and sampling intervals were defined by geologists and based on rock type and the visual identification of alteration or mineralisation.

Glamis Gold did not undertake downhole surveys on all holes and, as a result, only select holes were surveyed for downhole deviation in angle and azimuth. When a downhole survey was conducted, a contractor performed the survey within the drill pipe inner sample return tube using gyroscopic survey instruments. There are no records of the make or model of the survey tools used by such contractors to Glamis Gold.

Goldcorp: 2006 to 2013

RC drillholes were water injected to aid the drilling and to suppress fugitive dust. One sample was collected for every five foot interval that was drilled. The samples were split by a wet rotary splitter and collected directly into a pre-numbered (drillhole number and footage) sample bag, which eliminated any double handling of the sample. Representative chip samples were collected using a sieve and these were stored in matching labelled compartmentalized chip trays. The chip trays were numbered to coincide with the drillhole and sample numbers. The numbered sample bags and chip trays were provided to the contract drilling company by Marigold geologists or geotechnicians, and the drilling contractor collected the samples and filled the chip trays. The RC chip trays were transported to the logging shed while the drill samples for assay were taken to the onsite laboratory or dispatched to an external assay laboratory, which was either American Assay Laboratories (“AAL”), Inspectorate or ALS Chemex.

Core drilling, predominantly HQ core size, was undertaken in order to provide samples for density testwork and geotechnical studies. The core recovery was generally good (greater than 80%) and no major core losses were noted.

The majority of the diamond core and RC drillholes were surveyed for deviation in azimuth and dip at 50 foot intervals using a contractor and the Reflex gyroscopic downhole survey tool. A total of 179 drillholes (less than 10%) were not surveyed either because the hole was less than 405 feet in length or could not be surveyed, due to operational issues. If the drillhole extended beyond the depth that the survey was able to cover due to timing or if the driller pulled back due to ground conditions prior to the survey, then the contractor calculated the best fit to the curve of the deviation of the drillhole and projected this deviation to the final total depth of the hole.

Goldcorp and Barrick supported ongoing near mine exploration work at the Marigold mine between 2006 and 2013. This included capital funds for development drilling for mineral conversion and expensed funding for exploration drilling to discover additional Mineral Resources. This exploration work led to the discovery of mineralization in the Red Dot area, while the development work grew the Antler and Basalt deposits into one larger open pit with discovery and definition of additional Mineral Resources near and between these two deposits. Subsequent exploration drilling campaigns have expanded on the potential for an area which encompasses the 8 South, 8 North, 8 Deep and the Terry Zone North deposits, all of which comprise the Hercules exploration area.

Silver Standard: 2014

In June 2014, we initiated a program of infill and exploratory RC drilling, which targeted the discovery of near-surface gold mineralization proximal to the Marigold mine's open pits and the upgrading of Inferred Mineral Resources to Indicated Mineral Resources. See "*Exploration and Development*" below.

The RC drillholes were 5.5 inches in diameter and water was injected to aid the drilling and to suppress fugitive dust. One sample was collected for every five foot interval that was drilled. The samples were split by a wet rotary splitter and collected directly into a pre-numbered (drillhole number and footage) sample bag, which eliminated any double handling of the sample. A field duplicate sample was collected at every 250 feet, which represents 2% of the total samples in a drillhole, as a QC check. The splitter has two sample collecting sprouts and these were used to collect the two samples. Representative chip samples were collected using a sieve and these were stored in matching labelled compartmentalized chip trays. The chip trays were numbered to coincide with the drillhole and sample numbers. The numbered sample bags and chip trays were provided to the contract drilling company by Marigold geologists or geotechnicians, and the drilling contractor collected the samples and filled the chip trays. The RC chip trays were transported to the logging shed while the drill samples for assay were taken to the onsite laboratory or dispatched to AAL.

Core drilling, predominantly HQ core size, was undertaken to test the potential for a deep high-grade sulphide mineralisation. The core recovery was generally good (greater than 80%) and no major core losses were noted.

All of the drillholes, except for two RC drillholes, were surveyed for deviation in azimuth and dip at 50 foot intervals using a contractor. A Reflex gyroscopic downhole survey tool was used for the survey. A contractor was also used to carry out a corelog survey to measure the orientation of the bedding, fractures and joints in the diamond core drillhole.

Sampling and Analysis

Exploration activities by Rayrock Mines, Glamis Gold and Goldcorp have contributed the majority of the assays in the Marigold Mineral Resources database spanning the period from 1985 to 2013. Sampling and analytical procedures are known and documented covering this period, and it is assumed that analytical information prior to 1985 has no impact on the current Mineral Resources, as those volumes containing samples collected prior to 1985 have been mined out.

The majority of the samples that inform the Mineral Resources database were generated from RC drill cuttings. In general, the practice for the collection of RC samples has changed very little since 1985; however, there have been numerous sequential improvements in sample preparation, security and analysis to date. As an operating mine, Marigold generally followed and has continued to follow industry best practices.

At the Marigold mine, there is an extensive sample storage facility that preserves the raw sample material which supports the Mineral Resources database. Most of the laboratory pulp reject (since 1987), coarse reject (since 2006) and split diamond drill core are catalogued and stored securely in shipping containers on the property.

Sample Preparation and Analysis

Until the end of 1999, fire assay with a gravimetric finish was the preferred analytical method for gold in samples submitted for analysis. Since then, all samples have been subjected to first pass gold cyanide solution assay, which if above 0.005 ounces per tonne gold was followed by a fire assay determination with gravimetric finish (for the onsite Marigold laboratory), or fire assay with atomic absorption spectroscopy ("AAS") finish and fire assay with gravimetric finish for overlimits, at commercial laboratories.

During our 2014 drilling program, all samples generated from RC drilling, except for six drillholes, were prepared and assayed at AAL. All samples were fire assayed with ICP finish, which if above a cut-off grade of 0.003 ounces per tonne gold was followed by a cyanide solution assay. A total of six drillholes drilled as a part of the sterilisation program to condemn the area demarcated for waste dump in Section 29 of the Marigold mine was prepared and assayed at the onsite laboratory. These samples were subjected to first pass gold cyanide solution assay, which if above a cut-off grade of 0.003 ounces per tonne gold was followed by a fire assay determination with gravimetric finish.

All of the core generated from our deep sulphide exploration project in 2014 was logged and split at site. The samples were fire assayed with ICP finish followed by multi-element ICP analysis at AAL. The split diamond core, coarse rejects and laboratory pulp rejects were stored securely in shipping containers on the property.

Quality Assurance/Quality Control ("QA/QC") Procedures

The oldest hole in the Marigold exploration database is from 1968. Quality assurance procedures for the exploration drillhole database has varied with time, and naturally was not consistent with current best practice. However, a well-preserved collection of pulp samples from exploration drillholes during the period from 1987 to 2013 has allowed for repeat analysis at a single laboratory and a comparison of the original and repeat analyses. In 2014, a total of 2,562 pairs were selected to represent the grade, temporal and spatial distributions of drilling programs undertaken from 1987 to 2013 and repeat assays carried out at AAL in Sparks, Nevada.

We compiled all available QA/QC data from the Marigold mine and contracted AMEC Americas Limited ("AMEC") to review the adequacy of the historical QA/QC methods and results. As historical QA/QC procedures at the Marigold mine did not meet current standard best practices, we collected a spatially and temporally representative selection from the well-preserved drillhole sample pulps (from the years 1987 to 2013) stored at the property and sent these to a commercial laboratory for analyses. The aim of this re-assay program was to check the assay quality, *i.e.*, accuracy and precision, from the laboratories that were used in the years 1987 to 2013. Drillhole sample pulp material was not available for the period 1968 to 1987.

In total, 2,562 pairs were collected from storage. Certified reference material and blanks were inserted into the pulp sample list at the rate of one certified reference material and one pulp duplicate in 20 samples and one blank in 50 samples these pulps were then submitted the to the ISO 17025 certified AAL facility in Sparks, Nevada for analysis. AAL is independent from Silver Standard.

Silver Standard analyzed the results of the re-assay program by producing Scatter, half absolute relative difference and quantile-quantile plots. The data from the original and repeated assays were paired and compared on a scatter plot. The plot shows excellent correlation between the two data sets, and no bias is evident.

The 2014 pulp re-assay program returned values which do not demonstrate any systematic errors in the accuracy or precision of analytical assays from the period 1987 to 2014. The results from the 2014 pulp re-assay program show the quality of the assay analysis only, and give no indication of other potential sampling errors at any stage of the sample collection and preparation stage.

As part of the QC protocol for our 2014 drilling program, we inserted 5% of certified reference material, 2% of blanks and 2% of field duplicates onto the sampling stream. QC sample data was monitored on a real-time basis (upon receipt of data from the analytical laboratory) to ensure that sample batches with control sample data were within acceptable limits and those batches outside the limits were re-submitted for analysis in a timely manner. QC samples included eight reference standard samples, unmineralized "blank" samples and field duplicate samples. The certified reference material was purchased from ROCKLABS. Based on the results of the standard control samples, the assay data generated is unbiased and accurate, and suitable for use in our Mineral Resources estimation. Blank control samples indicated that sample cross-contamination was not an issue during the analytical work. The variability in the field duplicate control sample assays were within acceptable levels of precision.

Data Verification

As a part of the data verification process, AMEC was commissioned to review the database for material issues that might impact on the preparation of the Mineral Resources estimate. As a result of this initial investigation, AMEC was also retained to assess the impact on the database of drillholes that were missing downhole surveys and to check for indications of possible downhole grade contamination in the RC drilling. AMEC identified no critical flaws in the Marigold database.

Apart from the AMEC review, the following data verification steps were conducted as part of the generation of the Mineral Resources estimate presented in the Marigold Technical Report:

- Ongoing input into exploration drilling and real-time involvement in planning and location of drillholes, regular field checks on drill and sampling systems.
- Downhole survey validation for major deviations and laboratory assay data validation for anomalous assay value and failure of internal QC samples.
- The elevations of all drillhole collar co-ordinates surveyed were checked against the original/current/depleted topographic surfaces for a variation of more than 20 feet and no discrepancies were noted.
- Re-logging of select drillholes to confirm lithology for sectional interpretation. A number of drillholes were found to have a rock formation identified incorrectly. These do not materially impact the Mineral Resources, but are improvements to be made for the future.
- Profiles of all mined out pits, backfilled pits and dumps cross checked and incorporated to the current mining topography.
- Database checks with iterative correction for any anomalies (generally typographic errors, including mislabeled drillhole numbers, sample interval mismatches or any other data entry errors).
- Approximately 10% of the data or 93,957 records from the entire drillhole database from approximately 500 drillholes out of 6,864 were manually checked between August 2012 and June 2014, against the original hard copies for data entry errors. Less than 1% of the drillholes had issues, and these were corrected.

Two major technical issues were identified with the Marigold Mineral Resources database: drillholes missing downhole surveys; and some samples were only assayed by cyanide soluble analysis and not by fire assay. However, based on the verification steps and adjustments outlined and the results of the drillhole interval sample pulp re-assay program, the Marigold exploration data (including collar, survey, lithology and assay data) is suitable for use in the generation of classified Mineral Resources and Mineral Reserves, which can form the basis for mine planning studies.

During our 2014 exploration program, all of the drillholes, except for two RC drillholes, were downhole surveyed and all the samples were fire assayed and samples greater than the cut-off grade of 0.003 ounces per tonne gold were assayed by cyanide soluble method. All assay data was provided directly to us by AAL and directly entered into the Marigold Mineral Resources database. A randomly selected proportion (10%) of the 2014 data in the database was cross-checked against the hard copies of assay certificates, logging sheets, downhole survey and collar worksheets, and no errors were noted.

Security of Samples

The bulk of the sample values in the Mineral Resources assay database are for samples analyzed at the secure onsite Marigold laboratory. Samples shipped offsite were either delivered to a commercial lab by an exploration department geologist or technician, or were collected from the property by employees of the Marigold laboratory, and all samples were sent with a manifest listing the number of samples included in the shipment. Exploration personnel are unaware of any instances of tampering with samples either on site or in transit to a laboratory.

During our 2014 drilling program, core and RC samples were in the custody of our Marigold mine exploration team from collection through labeling and bagging. Thereafter, such samples were in the custody of AAL, who transported the samples from site to its laboratory in Sparks, Nevada. We are not aware of any deliberate attempts to compromise samples.

Mining Operations

Mining Method

Marigold uses a standard open pit mining method with a current mining rate of approximately 231,000 short tons, or 210,000 metric tonnes, per day. The property undertakes conventional drilling and blasting activities with a free faced trim row blast to assure stable wall rock conditions.

Mining is done on 50 foot (15.2 metre) benches for pre-stripping waste and 25 foot (7.6 metre) benches for ore. Loading operations take place mainly with three primary loading shovels. Backup loading is done with a front end loader. Waste and ore haulage is performed with a fleet of 320 short ton (290 metric ton) primary haulers and a backup fleet of 190 short ton (172 metric ton) trucks.

We own the mining equipment fleet and there are currently no contract mining operators onsite, except in respect of drilling and blasting. Equipment maintenance is done on site for all equipment.

Metallurgical Process

The Marigold processing plant and facilities incorporate standard industry ROM heap leaching, carbon adsorption, carbon desorption and electro-winning circuits to produce a final precious metal (doré) product. ROM ore is delivered to the leach pad and stacked in 20 to 30 foot (6.1 to 9.1 metre) lifts. The heap leach pad consists of 18 separate cells. Approximately 4.3 million square feet (400,000 square metres) of pad area are leached at any given time.

Barren leach solution (cyanide bearing solution, very low in gold grade) is applied selectively to different areas of the pad. The leach solution is pumped to the leach pad and the pregnant solution (gold bearing) from the leach pad is then collected in a pregnant solution pond(s) before it is pumped to carbon column trains where gold is absorbed from solution onto activated carbon. Carbon loaded with gold is taken from the carbon columns and transported to the process facility where gold is stripped from the carbon by solution. The precious metal bearing solution is passed through electro-winning cells where metals are plated out. The plated material is retorted for mercury removal and drying prior to smelting for final precious metal recovery.

Cumulative gold produced from the Marigold leach pads is equivalent to 71.6% recovery (through September 2014); whereas total gold recovery including recoverable gold inventory in the pads is estimated at 74.1%. Gold recovery from future ores is estimated to be 73%, based on reviews of historical data and metallurgical test work on future ores.

Mine Life and Production Forecast

Our life of mine estimate for the Marigold mine includes recoverable gold on the leach pads and gold doré on hand as at October 1, 2014, all of which is sold over the remaining life of mine. The Marigold mine will produce 1,598,758 ounces of payable gold sold over an active mining period of nine years. Total life of mine production includes a further approximately 60,000 ounces of payable gold sold that are on the leach pads as at October 1, 2014, for total production of 1,658,799 ounces of payable gold sold.

Our production forecast at the Marigold mine for 2015 is 160,000 to 175,000 ounces of gold.

Markets and Contracts

We currently produce gold/silver doré bars at the Marigold mine. The doré refining terms are typical and consistent with standard industry practices and similar to contracts for the refining of doré elsewhere in the world. The doré is securely transported by road freight to a refinery, refined into gold bullion and sold to banks that specialize in the purchase and sale of gold bullion.

There are a number of acceptable refineries with the capacity to refine doré bars to pursuant to an agreement within industry standards.

Taxes

We are subject to each of the following taxes:

- *Nevada Net Proceeds of Minerals:* The State of Nevada imposes a 5% net proceeds tax on the value of all minerals extracted in the state. This tax is calculated and paid based on a prescribed net income formula, and is a deductible expense for U.S. federal income taxes.

- *Nevada Property Tax:* Humboldt County assesses property tax on 35% of the total appraised value of the Marigold mine's real and personal property. This property tax is a deductible expense for U.S. federal income taxes.
- *Humboldt County Sales Tax:* The State of Nevada sales tax rate for Humboldt County is 6.85%. Supplies and materials used in mining operations are taxed by the vendor at this rate. This sales tax is not recoverable, but is a deductible expense for U.S. federal income taxes.
- *U.S. Federal Income Tax:* The effect of income taxes is expected to be a nominal tax rate of 20% of earnings allowing for cost depletion, depreciation and amortization, as calculated under the U.S. federal rules for alternative minimum tax.

Environmental Conditions

The Marigold mine has undergone several significant actions under the *National Environmental Policy Act* ("NEPA") in the normal course of operations planning, the most recent of which was an Environmental Assessment conducted for the Target 3 PoO Amendment in 2013. The Decision Record for the Environmental Assessment was signed on October 31, 2013, and noted a "Finding of No Significant Impact" for the proposed action with implementation of recommended mitigation related to altering a waste rock footprint to avoid an adjacent cultural resource site. This mitigation was completed in November 2013.

At present, there are no known environmental issues that impact our ability to extract Mineral Resources at the Marigold mine. Specifically, no threatened or endangered species are known to exist at the site, there are no year-round watercourses on the property, groundwater is very deep and not impacted by mining operations and all environmental regulations and permit conditions are continuously being met. Cultural resource surveys have been conducted across the Marigold mine, and an approved avoidance, distance buffer and mitigation program is in place as part of the existing PoO.

Waste rock is managed in several designated surface storage areas within the property boundary, concurrently reclaimed to 3:1 slopes when the sequence of mining operations allow, and then re-vegetated with native seed mixes. Some backfilling of older pits with waste rock is also conducted when possible. To date, all waste rock encountered at the Marigold mine has been oxide in nature and non-acid generating as confirmed by quarterly sampling. There are no waste rock areas with observed runoff or stability concerns.

The only tailings area at the property operated during the period of 1989 to 1999. Such tailings impoundment has been reclaimed and revegetated, and the State of Nevada Engineer's office no longer lists it as a permitted dam. While it was in operation, the Marigold tailings dam did exhibit a leak through its clay liner to the alluvial substrate below. This issue was reported to applicable environmental agencies at that time, and modeling was completed to confirm a lack of threat to groundwater approximately 450 feet (137.2 metres) deep at that location. Monitoring of this pulse of tailings leakage has been ongoing since tailings closure, and continues to confirm the pulse is naturally attenuating and does not pose a threat to impact groundwater. These monitoring results as well as an annual model update report are submitted to State and federal agencies.

We have an extensive monitoring program in place at the Marigold mine for both groundwater quantity and quality, as well as seasonal surface water quantity and quality. Results from this program as well as long term trend data is reported to both State and federal agencies. Air, geochemical, vegetation, wildlife, and industrial health monitoring are also conducted regularly according to permit requirements. Agency representatives conduct routine compliance inspections on a quarterly basis.

State regulatory requirements mandate a formal closure plan be filed two years prior to the facility actually commencing closure. The BLM and State both require a tentative closure plan as part of normal NEPA and operating permit requirements. These closure plans in respect of the Marigold mine have been filed and maintained, which, in conjunction with standard reclamation and re-vegetation of all disturbed areas, include discussions on removal of most infrastructure, monitoring and notably long-term heap leach drain down solution management. The current approved closure plan anticipates a series of evapo-transpiration cells to manage long-term solution drain down following an approximate two year period of active solution volume reduction through evaporation.

Exploration and Development

By the end of 2014, we had completed a total of 21,653 metres in 116 RC drillholes on gold oxide targets in the Mackay, Hercules, 5 North and 8 South areas of the Marigold mine under our exploration drill program. A total of 81% of these drillholes reported mineralized intercepts above our Mineral Resources cut-off criteria, as set out in the Marigold Technical Report. Positive drill results added higher grade Mineral Resources to the 8 South pit area, which have been included in our updated Mineral Resources estimate for the Marigold mine as at December 31, 2014. See "*Mineral Properties – Summary of Mineral Reserves and Mineral Resources Estimates* ". We have continued exploration in the 8 South area into 2015 and continue to see positive results from this higher-grade mineralized area.

Our deep sulphide exploration project seeks to evaluate the potential for a high-grade underground mineral deposit at the Marigold mine. In the fourth quarter of 2014, we completed one core drillhole to 1,235 metres depth and two more were in progress at December 31, 2014, for a total of 2,829 metres drilled. Drill results have confirmed the existence of permissive rock units underlying the oxide-ore bearing Valmy Formation currently being mined. Our geological and structural assessment will continue through 2015, with three further deep core drillholes planned.

PROJECTS

Pitarrilla Project

The Pitarrilla project is a wholly-owned silver project located within the Municipality of Inde, on the eastern flank of the Sierra Madre Occidental mountain range in the central part of Durango State, Mexico. The project is held by our wholly-owned subsidiary, Silver Standard Durango, S.A. de C.V., and comprises 6 contiguous mineral claims covering an area of approximately 32,840 hectares as at December 31, 2014.

In a news release dated December 4, 2012, we announced the results of a feasibility study for the Pitarrilla project. On December 17, 2012, we filed the Pitarrilla Technical Report in support of the feasibility study. A copy of the Pitarrilla Technical Report is available under our profile on the SEDAR website at www.sedar.com.

During 2013, we completed certain pre-construction activities on the Pitarrilla project, including pilot plant tests, road construction and water drilling. In June 2013, we submitted the EIA to the federal environmental regulator in Mexico, Secretaría de Medio Ambiente y Recursos Naturales ("SEMARNAT").

In October 2013, the Mexican government approved certain amendments to Mexico's mining taxation system to impose new taxes and royalties on mining activities. Given the significance of these changes, we deferred the open pit construction decision, placed project activities on hold and initiated a thorough review of the mine and plant options at the Pitarrilla project in the fourth quarter of 2013.

On February 14, 2014, we were advised that SEMARNAT did not approve the EIA for the Pitarrilla open pit mine, primarily because sufficient water rights had not been secured. Our ability to secure water rights is currently limited due to a temporary moratorium on subterranean water exploitation imposed in April 2013 in connection with uncontrolled and over exploited aquifers located throughout Mexico.

During 2014, activities at the Pitarrilla project were limited to surface rights acquisition, review of alternative development options and brownfields exploration activities on our land holdings adjacent to the project. Activities will continue to be restricted until a time at which a decision is made to proceed with the development and production of the Pitarrilla project. In light of the foregoing, we have reclassified the Mineral Reserves at the Pitarrilla project to Mineral Resources.

The Pitarrilla project remains an important development asset in our portfolio with significant Mineral Resources of silver, lead and zinc. See "*Mineral Properties – Summary of Mineral Reserves and Mineral Resources Estimates* ".

San Luis Project

The San Luis project is a wholly-owned high-grade gold-silver project located in the Ancash Department of central Peru. The project is held by our wholly-owned subsidiary, Reliant Ventures S.A.C., and consists of 43 mineral concessions covering an area of 35,522 hectares.

On June 4, 2010, we filed a NI 43-101 technical report entitled “Technical Report for the San Luis Project Feasibility Study, Ancash Department, Peru” (the “San Luis Technical Report”), which summarized our feasibility study on the Ayelén vein at the San Luis project. A copy of the San Luis Technical Report is available under our profile on the SEDAR website at www.sedar.com.

On September 10, 2012, Peru’s Ministry of Mines and Energy approved the EIA for the mining operation of the Ayelén deposit. An extension to our EIA has since been granted, and is valid to September 19, 2017. Prior to such date, we must begin development activities at the San Luis project.

The San Luis project includes several vein systems across an area of land whose surface rights are held by two local communities, Ecash and Cochabamba. The execution of the San Luis project requires land access and use negotiations to be completed with both communities. We successfully entered into a land use agreement with the Cochabamba community in 2011. In 2013, we signed a five-year exploration agreement with the Cochabamba community, granting us access rights to conduct exploration activities on the community lands that cover the southwestern sector of the San Luis project.

In June 2013, we drill tested a copper-molybdenum porphyry target known as the BP Zone. This short program saw the completion of two diamond core holes for a total of 1,413 metres. While the nature of the hydrothermal alteration and the mineralization that was encountered by the drillholes was fairly typical of porphyry copper deposits, metal grades were insufficient to warrant further exploration.

We also identified an additional potential high grade gold vein target, the Bonita Zone, located entirely within the area held by the Cochabamba community. In the third quarter of 2014, we completed two diamond drillholes under Phase 1 of an initial drill evaluation program in the Bonita Zone.

In the fourth quarter of 2014, we experienced continued delay in our dialogue with the Ecash community. Furthermore, discussions with the Cochabamba community concerning access for exploration activities prompted us to deliver notice on our land access agreements with such community. We are pursuing revised agreements with the Cochabamba community that provide for a balanced and sustainable relationship between the parties. We are also continuing to seek re-engagement opportunities with the Ecash community. Community elections for both the Ecash and Cochabamba community official representatives were held recently, providing an opportunity to re-open meaningful discussions with such communities in the first half of 2015.

OTHER PROPERTIES

Parral, Mexico

We hold four mineral properties in the mining district of Parral in the southern Chihuahua State, Mexico and are evaluating such properties for their potential to yield economic silver deposits. Our ongoing exploration of these properties has involved detailed geological mapping and sampling of outcroppings that host silver-bearing quartz veins and veinlets.

Other Exploration Projects

Under current fiscal conditions, we have minimized capital available for non-core exploration activities, and during 2014, we continued a detailed appraisal of our large property portfolio to determine which properties to advance along with our corporate strategy, and which properties to relinquish. This resulted in the sale of the Challacollo project in Chile in February 2014, and the relinquishment of certain other non-core properties in Mexico in 2014.

RISK FACTORS

An investment in our securities is speculative and involves a high degree of risk due to the nature of our business and the present stage of operation, exploration and development of our mineral properties. The following risk factors, as well as risks currently unknown to us, could materially adversely affect our future business, operations and financial condition and could cause them to differ materially from the estimates described in forward-looking statements relating to us, or our business, property or financial results, each of which could cause you to lose part or all of your investment in our securities. You should carefully consider the following risk factors along with the other matters set out in this Annual Information Form.

RISKS RELATED TO OUR BUSINESS AND OUR INDUSTRY

Our production, development plans and cost estimates may vary and/or not be achieved.

We have prepared estimates of future production, operating costs and capital costs for the Pirquitas mine and the Marigold mine, and the technical reports for our projects contain estimates of future production, development plans, operating and capital costs and other economic and technical estimates relating to these projects. We cannot assure you that such production, plans, costs or other estimates will be achieved. Actual production and costs may vary from the estimates depending on a variety of factors, many of which are not within our control. These factors include, but are not limited to: actual ore mined varying from estimates of grade, tonnage, dilution, and metallurgical and other characteristics; short-term operating factors such as the need for sequential development of ore bodies and the processing of new or different ore grades from those planned; mine failures, slope failures or equipment failures; industrial accidents; natural phenomena such as inclement weather conditions, floods, droughts, rock slides and earthquakes; encountering unusual or unexpected geological conditions; changes in power costs and potential power shortages; exchange rate and commodity price fluctuations; shortages of principal supplies needed for operations, including explosives, fuels, chemical reagents, water, equipment parts and lubricants; labor shortages or strikes; high rates of inflation; civil disobedience and protests; and restrictions (including change to the taxation regime) or regulations (including environmental permitting for the Marigold mine, and import restrictions for equipment and material required for operations at the Pirquitas mine) imposed by governmental or regulatory authorities or other changes in the regulatory environments. Failure to achieve production or cost estimates or material increases in costs could have a material adverse impact on our future cash flows, profitability, results of operations and financial condition.

We may be unable to replace our Mineral Reserves.

We must continually replace our Mineral Reserves depleted by production to maintain production levels over the long term. Mineral Reserves can be replaced by expanding known ore bodies, locating new deposits or making acquisitions. Exploration is highly speculative in nature. Our exploration projects involve many risks and are frequently unsuccessful. Once a site with mineralization is discovered, it may take several years from the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish Proven and Probable Mineral Reserves and to construct mining and processing facilities. As a result, there is no assurance that current or future exploration programs will be successful. There is a risk that depletion of our Mineral Reserves will not be offset by discoveries or acquisitions. Our mineral base may decline if Mineral Reserves are mined without adequate replacement and we may not be able to sustain production beyond the current mine lives, based on current production rates. If our Mineral Reserves are not replaced either by the development of additional Mineral Reserves and/or additions to Mineral Reserves, there may be an adverse impact on our future cash flows, earnings, results of operations and financial condition, and this may be compounded by requirements to expend funds for reclamation and decommissioning.

Changes in the market prices of silver, gold and other metals, which in the past have fluctuated widely, will affect our operations.

Our profitability and long-term viability and the economic feasibility of our mineral properties depend, in large part, on the market price of silver, gold, zinc and lead. The market prices for these metals are volatile and are affected by numerous factors beyond our control, including:

- global or regional consumption patterns;

- the supply of, and demand for, these metals;
- speculative activities;
- the availability and costs of metal substitutes;
- expectations for inflation; and
- political and economic conditions, including interest rates and currency values.

We cannot predict the effect of these factors on metal prices. A decrease in the market price of silver, gold and other metals would affect the profitability of the Pirquitas mine and the Marigold mine and could affect our ability to finance the exploration and development of any of our other mineral properties. The market price of silver, gold and other metals may not remain at current levels. In particular, an increase in worldwide supply, and consequent downward pressure on prices, may result over the longer term from increased silver or gold production from mines developed or expanded as a result of current metal price levels.

Political or economic instability or unexpected regulatory change in the countries where our mineral properties are located could adversely affect our business.

We currently conduct operations in Argentina and the United States, and have exploration projects in Mexico, Peru, Argentina, Canada and the United States, and as such we are exposed to various levels of economic, political and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: royalties and tax increases or claims by governmental bodies; expropriation or nationalization; employee profit-sharing requirements; foreign exchange controls; restrictions on repatriation of profits; import and export regulations; cancellation or renegotiation of contracts; changing fiscal regimes and uncertain regulatory environments; fluctuations in currency exchange rates; high rates of inflation; changes in royalty and tax regimes, including the elimination of tax exemptions; underdeveloped industrial and economic infrastructure; unenforceability of contractual rights and judgments; and environmental permitting regulations. The occurrence of these various factors and uncertainties cannot be accurately predicted and could adversely affect our business.

The regulatory environment in Argentina continues to provide a challenging cost environment, especially with inflation at elevated levels. For example:

- On October 26, 2011, the Federal Government of Argentina announced that future export revenues derived from mining operations in Argentina must be repatriated to Argentina and converted into Argentine currency prior to being distributed either locally or overseas. The distribution of earnings overseas requires Argentine currency to be converted into foreign currency for repatriation. A bank transaction tax of 0.6% applies to the conversion of Argentine pesos to foreign currencies in transactions that would otherwise have been executed using offshore funds. The mining industry had previously been exempted from this obligation to bring such foreign currency into Argentina, and although the Fiscal Agreement includes stability over foreign exchange controls, the Federal Government removed such benefits with this decree.
- In early 2012, Argentina's Ministry of Economy and Public Finance issued a resolution that reduced the time permitted to repatriate export proceeds from 180 days to 15 days, which caused the Pirquitas mine to temporarily suspend shipments while we assessed the potential impact of this resolution. Subsequently, the time permitted to repatriate export proceeds was increased to 30 days and then to 140 days for silver and zinc concentrates, which enabled us to recommence shipping. In September 2012, a revised resolution reinstated the 180 day time limit for silver concentrate only.
- During 2012, the Central Bank of Argentina increased its involvement in U.S. dollar inflows and outflows, and Argentina continued to experience high inflation along with a weakening currency. The Federal Government of Argentina has also introduced measures (both written and non-written) requiring local sourcing of equipment and supplies wherever possible. Delays associated with these import restrictions have the potential to affect certain aspects of operations at the Pirquitas mine, such as maintenance and new construction that are dependent on imported goods.

Additionally, the taking of property by nationalization or expropriation without adequate compensation is a risk in certain jurisdictions in which we have operations. Expropriation, or the threat of expropriation, is often the result of poor economic conditions within a country or has underlying political rationales. Although we do not presently anticipate that any of our properties will be the subject of expropriation, there can be no assurance that this will not occur. Such governmental actions may have an adverse impact on our operations and profitability.

For example, in October 2013, the Mexican government approved certain amendments to Mexico's mining taxation system to impose new taxes and royalties on mining projects, which came into effect on January 1, 2014. Given the significance of these changes, we deferred the open pit construction decision, placed project activities on hold and initiated a thorough review of the mine and plant options at the Pitarrilla project in the fourth quarter of 2013.

We may be adversely affected by future fluctuations in foreign exchange rates.

We maintain our cash and cash equivalents primarily in U.S. dollars, Canadian dollars and Argentine pesos. Our revenues are in U.S. dollars, while certain of our costs will be incurred in other currencies. In particular, any appreciation in the currencies of Argentina, Mexico, Peru, Chile and Canada or other countries where we carry out exploration or development activities against the U.S. dollar will increase our costs of carrying on operations in such countries. With the operation of the Pirquitas mine, our costs denominated in Argentine pesos have increased over past levels, and we therefore have greater exposure to Argentine currency fluctuations. In addition, any decrease in the Canadian dollar or Argentine peso against the U.S. dollar will result in a loss on our books to the extent we hold funds or monetary assets denominated in those currencies. As a result, our financial performance and forecasts may be significantly impacted by changes in foreign exchange rates.

For example, in early 2014, the Argentine peso saw a significant devaluation, as the government reduced intervention and relaxed capital controls, but since that time the peso has reverted to a steady devaluation against the U.S. dollar. The devaluation reduced the value of our Argentine peso-denominated assets, principally cash and VAT receivables, and decreased our Argentine peso-denominated liabilities, principally accounts payable, when expressed in U.S. dollars.

We have incurred losses in the past and may incur losses in the future.

Although we had income from mine operations of $36.2 million and $5.2 million for the years ended December 31, 2014 and 2013, respectively, we have incurred losses in the past. We may continue incurring losses or generating insufficient cash flows, such that the exploration and development of our other mineral properties will require commitment of substantial financial resources that may not be available. The amount and timing of expenditures will depend on a number of factors, including the progress of ongoing exploration and development, the results of analyses and recommendations, the rate of operating profits or losses, the execution of any strategic agreements with third parties and our acquisition of additional property interests, many of which are beyond our control. We cannot assure you that we will achieve consistent profitability.

General economic conditions may adversely affect our growth and profitability.

The unprecedented events in global financial markets in the past several years have had a profound impact on the global economy. Many industries, including the silver and gold mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market confidence and liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, sovereign debt and government solvency conditions, consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect our growth and profitability. Specifically:

- the global credit/liquidity crisis could impact the cost and availability of financing and our overall liquidity;
- volatility of silver and gold prices would impact our revenues, profits, losses and cash flow;
- continued recessionary pressures could adversely impact demand for our production and, conversely, inflationary pressures would impact our production costs;

- volatile energy, commodity and consumables prices and currency exchange rates would impact our production costs; and
- the devaluation and volatility of global stock markets would impact the valuation of our equity and other securities.

These factors could have a material adverse effect on our financial condition and results of operations.

Our investment in Pretium and other marketable securities may not be fully realizable.

Following the 2010 sale to Pretium of shares of our subsidiary which owned and operated the Snowfield and Brucejack properties, we retained a significant continuing ownership interest in Pretium, which is approximately 13.1% of Pretium's issued and outstanding shares as at March 23, 2015. We have also received, as partial consideration for the sale of certain mineral properties, common shares or the contingent right to receive common shares of other companies. We will rely on the performance of these companies, the market performance of their common shares and the liquidity of the market for those shares, in order to realize the full value of our interest. This may reduce our ability to execute our strategy and fund planned exploration and development opportunities.

We may be subject to a 10% export duty on current and past production of silver concentrate from the Pirquitas mine.

We entered into the Fiscal Agreement with the Federal Government of Argentina in 1998 for production from the Pirquitas mine. In December 2007, the DNA levied an export duty of approximately 10% from concentrates for projects with fiscal stability agreements pre-dating 2002 and the Federal Government has asserted that the Pirquitas mine is subject to this duty. We have challenged the legality of the export duty applied to silver concentrate and the matter is currently under review by the Federal Court (Jujuy) in Argentina.

The Federal Court (Jujuy) granted an injunction in our favor effective September 29, 2010 that prohibited the Federal Government from withholding the 10% export duty on silver concentrate (the "Injunction"), pending the decision of the courts with respect to our challenge of the legality of the application of the export duty. The Injunction was appealed by the Federal Government but upheld by each of the Federal Court of Appeal (Salta) on December 5, 2012 and the Federal Supreme Court of Argentina on September 17, 2013. The Federal Government also appealed the refund we claimed for the export duties paid before the Injunction, as well as matters of procedure related to the uncertainty of the amount reclaimed; however, on May 3, 2013, such appeal was dismissed by the Federal Court of Appeal (Salta). In September 2014, the Federal Tax Authority in Argentina ("AFIP") filed an application with the Federal Court (Jujuy) to lift the Injunction, requiring payment of the export duty and payment of applied interest charges. We filed a response to such application on October 14, 2014 and a decision is pending.

As of December 31, 2014, we have paid $6.6 million in export duties, for which we have filed for recovery. In accordance with the Injunction, we have not been paying export duties on silver concentrate but continue to accrue export duties. At December 31, 2014, we have accrued a liability totaling $56.1 million, for export duties with no accrual for interest charges, and have recorded a corresponding increase in cost of sales in the relevant period. The application of interest charges is uncertain, but if applied from the date each duty was levied, and based on current U.S. dollar rates, is estimated to be in the range of $4 million to $6.5 million. The final amount of export duties and interest, if any, to be paid or refunded depends on a number of factors, including the outcome of litigation. Changes in our assessment of this matter could result in material adjustments to our consolidated financial statements.

We are subject to credit risk through our significant VAT receivables balance collectible primarily from the government of Argentina.

We are subject to credit risk through our significant VAT receivables balance that is collectible from the government of Argentina. Due to legislative rules and a complex collection process, our VAT receivable balance in Argentina is classified as non-current until it is approved by the government; thereafter, it is reclassified to current as we have greater certainty of the ability to collect within twelve months. As of December 31, 2014, our non-current VAT receivables balance was $ 29.5 million. Even though we recovered $30.7 million of VAT receivables in 2014, VAT recovery in Argentina remains a highly regulated, complex and, at times, lengthy collection process.

The sale of our concentrate and doré is subject to counterparty and market risks.

We have entered into supply arrangements to sell silver and zinc concentrate being produced at the Pirquitas mine and gold doré being produced at the Marigold mine. We cannot assure you that in the future, where necessary, we will be successful in entering into such arrangements on acceptable terms, or at all. If we are not successful in entering into such arrangements, we may be forced to sell all of our products, or greater volumes of them than we may from time to time intend, in the spot market, or we may not have a market for our products. In addition, should any counterparty to any supply arrangement we may enter into not honor such arrangement, or should any of such counterparties become insolvent, we may incur losses for products already shipped and be forced to sell greater volumes of our products than intended in the spot market or we may not have a market for our products, and our future operating results may be materially adversely impacted as a result. Moreover, we cannot assure you that we will be able to renew any agreements we may enter into to sell concentrate or doré when such agreements expire, or that our concentrate or doré will meet the qualitative requirements under future concentrate agreements or the requirements of buyers.

Our estimates of Mineral Reserves and Mineral Resources are based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.

There are numerous uncertainties inherent in estimating quantities of Mineral Reserves and grades of mineralization, including many factors beyond our control.

In making determinations about whether to advance any of our projects to development, we must rely upon estimated calculations as to the Mineral Reserves and grades of mineralization on our properties. Until ore is actually mined and processed, Mineral Reserves and grades of mineralization must be considered as estimates only. These estimates are imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling which may prove to be unreliable. We cannot assure you that Mineral Reserves, Mineral Resources or other mineralization estimates will be accurate, or mineralization can be mined or processed profitably.

Any material changes in Mineral Reserves estimates and grades of mineralization will affect the economic viability of placing a property into production and a property's return on capital. Our estimates of Mineral Reserves and Mineral Resources have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for silver, gold, zinc and other precious metals may render portions of our mineralization uneconomic and result in reduced reported Mineral Reserves.

Any material reductions in estimates of mineralization, or of our ability to extract this mineralization, including estimates made in the Pirquitas Technical Report, the Marigold Technical Report and the technical reports for our projects, could have a material adverse effect on our results of operations or financial condition. We cannot assure you that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

We follow Canadian disclosure practices concerning our Mineral Reserves and Mineral Resources which allow for more disclosure than is permitted for domestic U.S. reporting companies.

Our mineral resource estimates are not directly comparable to those made by domestic U.S. reporting companies subject to the SEC reporting and disclosure requirements, as we report Mineral Resources in accordance with Canadian practices. These practices are different from the practices used to report Mineral Resources estimates in reports and other materials filed by domestic U.S. reporting companies with the SEC in that the Canadian practice is to report Measured, Indicated and Inferred Mineral Resources. In the United States, mineralization may not be classified as a reserve unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. Further, "Inferred Mineral Resources" have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and Mineral Resources contained in this Annual Information Form may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC. See "*Introductory Notes – Cautionary Notice Regarding Mineral Reserves and Mineral Resources Estimates*".

Suitable infrastructure may not be available or damage to existing infrastructure may occur.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of our projects. If adequate infrastructure is not available in a timely manner, we cannot assure you that the exploitation or development of our projects will be commenced or completed on a timely basis, or at all, or that the resulting operations will achieve the anticipated production volume, or that the construction costs and operating costs associated with the exploitation and/or development of our projects will not be higher than anticipated. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect our operations and profitability.

We are dependent on two mines for all of our commercial production, and we may be exposed to future development risks.

The Pirquitas mine and the Marigold mine are currently our only mineral properties in production. Any adverse condition affecting mining or processing conditions at the Pirquitas mine or the Marigold mine could have a material adverse effect on our financial performance and results of operations.

The future development of any other properties found to be economically feasible and approved by our Board of Directors will require the construction and operation of mines, processing plants and related infrastructure. As a result, we are and will continue to be subject to all of the risks associated with establishing new mining operations including:

- the availability and cost of skilled labor and mining equipment;
- the availability and cost of appropriate smelting and refining arrangements;
- securing long-term access agreements required to develop and operate a mine, including the surface rights required for the Pitarrilla project and the San Luis project;
- the need to obtain and retain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities;
- potential for labour unrest or other labour disturbances;
- potential increases in cost structures due to changes in the cost of fuel, power, materials and supplies; and

- the timing and cost, which can be considerable, of the construction and expansion of mining and processing facilities.

The costs, timing and complexities of operating the Pirquitas mine and the Marigold mine and constructing and developing our other projects may be greater than we anticipate because the majority of our property interests are not located in developed areas and, as a result, our property interests may not be served by appropriate road access, water and power supply and other support infrastructure. Cost estimates may increase as more detailed engineering work is completed on a project. It is common in new mining operations to experience unexpected costs, problems and delays during construction, development and mine start-up. In addition, delays in the early stages of mineral production often occur. For example, in 2011 we produced less silver at the Pirquitas mine than anticipated because of lengthy production stoppages caused by mechanical problems that first affected our crushing capacity and then our milling. Accordingly, we cannot assure you that our activities will result in profitable mining operations at any of our mineral properties.

We may not have sufficient funds to fully develop our mineral properties or to complete further exploration and development programs.

Current operating cash flows are not sufficient to finance all our exploration programs, development of our mineral properties and corporate costs. In the future, our ability to continue our production, development and exploration activities, if any, will depend on our ability to generate sufficient operating cash flows from the Pirquitas mine and the Marigold mine, and to obtain additional external financing where necessary. Any unexpected costs, problems or delays at the Pirquitas mine or the Marigold mine could severely impact our ability to generate sufficient cash flows and require greater reliance on alternative sources of financing.

The sources of external financing that we may use for these purposes include project or bank financing, or public or private offerings of equity and debt. In addition, we may enter into one or more strategic alliances or joint ventures, decide to sell certain property interests, or utilize one or a combination of all of these alternatives. The financing alternative chosen by us may not be available to us on acceptable terms, or at all. If additional financing is not available, we may have to postpone the development of, or sell, one or more of our mineral properties.

We cannot assure you that we will successfully acquire additional commercially mineable mineral rights.

Most exploration projects do not result in the discovery of commercially mineable ore deposits, and we cannot assure you that any anticipated level of recovery of Mineral Reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body that can be legally and economically exploited. Estimates of Mineral Reserves, Mineral Resources, mineral deposits and production costs can also be affected by such factors as environmental permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Material changes in Mineral Reserves, grades, stripping ratios or recovery rates may affect the economic viability of any project. Our future growth and productivity will depend, in part, on our ability to identify and acquire additional commercially mineable mineral rights, and on the costs and results of continued exploration and potential development programs. Mineral exploration is highly speculative in nature and is frequently non-productive. Substantial expenditures are required to: establish Mineral Reserves through drilling and metallurgical and other testing techniques; determine metal content and metallurgical recovery processes to extract metal from the ore; and construct, renovate or expand mining and processing facilities.

In addition, if we discover ore, it would take several years from the initial phases of exploration until production is possible. During this time, the economic feasibility of production may change. As a result of these uncertainties, we cannot assure you that we will successfully acquire additional commercially mineable (or viable) mineral rights.

We require further permits in order to conduct our current and future operations, and delays in obtaining or failure to obtain such permits, or a failure to comply with the terms of any such permits that we have obtained, would adversely affect our business.

Our current and anticipated future operations, including continued production at the Pirquitas mine and the Marigold mine, and further exploration, development and commencement of production on our other mineral properties, including the Pitarrilla project and the San Luis project, require permits from various governmental authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within our control.

We cannot assure you that all permits that we require for our operations, including any for construction of mining facilities or conduct of mining, will be obtainable or renewable on reasonable terms, or at all. Delays or a failure to obtain such required permits, or the expiry, revocation or failure by us to comply with the terms of any such permits that we have obtained, would adversely affect our business.

For example, on February 14, 2014, we were advised that SEMARNAT did not approve the EIA for the Pitarrilla open pit mine, primarily because sufficient water rights had not been secured. Our ability to secure water rights is currently limited due to a temporary moratorium on subterranean water exploitation imposed in April 2013 in connection with uncontrolled and over exploited aquifers located throughout Mexico. During 2014, activities at the Pitarrilla project were limited to surface rights acquisition, review of alternative development options and brownfields exploration activities on our land holdings adjacent to the project. Activities will continue to be restricted at the Pitarrilla project until a time at which a decision is made to proceed with the development and production of the Pitarrilla project.

We are dependent on our ability to recruit and retain qualified personnel, and we could be subject to potential labour unrest or other labour disturbances, including labour action by our unionized employees at the Pirquitas mine.

We compete with other mining companies to attract and retain key executives and skilled and experienced employees. We are dependent on the services of our key executives and other skilled and experienced personnel to focus on advancing our corporate objectives as well as the identification of new opportunities for growth and funding. Due to the size of our organization, the loss of any of these persons or our inability to attract and retain suitable replacements for them or additional highly skilled employees required for the operation of the Pirquitas mine and the Marigold mine and our other activities may have a material adverse effect on our business and financial condition.

Production at the Pirquitas mine and the Marigold mine is dependent upon the efforts of our employees and our relations with them. In addition, relations with our employees may be affected by changes in the scheme of labour relations that may be introduced by the relevant governmental authorities in those jurisdictions in which we carry on business. Changes in such legislation or in the relationship with our employees may have a material adverse effect on our business, financial condition and results of operations. We could be subject to labour unrest or other labour disturbances, which could, while ongoing, have a material adverse effect on our business.

Non-management employees at the Pirquitas mine are unionized and subject to collective agreements. At the Pirquitas mine, the current collective bargaining agreement will continue in effect until March 31, 2015, and we are in the process of negotiating an extension to such agreement. However, this collective bargaining agreement may not prevent a strike or work stoppage at our operations in the future, and any such work stoppage could have a material adverse effect on our business. For example, in April 2014 we experienced a temporary work stoppage at the Pirquitas mine for 60 hours due to union activity. In addition, there can be no assurance that, when such agreement expires, there will not be any delays in the renewal process, that negotiations will not prove difficult or that we will be able to renegotiate the collective agreement on satisfactory terms, or at all. The renewal of the collective bargaining agreement could result in higher on-going labour costs, which could have a negative impact on our future cash flows, earnings, results of operations and financial condition.

We are subject to significant governmental regulations.

The operation of the Pirquitas mine and the Marigold mine, as well as our exploration and development activities, are subject to extensive federal, state, provincial, territorial and local laws and regulations governing various matters, including:

- environmental protection;
- the management and use of toxic substances and explosives;
- the management of natural resources;
- the exploration of mineral properties;
- exports;
- insurance restrictions;
- import restrictions;
- exchange controls;
- capital controls;
- price controls;
- taxation and mining royalties;
- labor standards and occupational health and safety, including mine safety;
- employee profit-sharing arrangements;
- anti-corruption and anti-bribery statutes; and
- historic and cultural preservation.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations or requiring corrective measures, installation of additional equipment or remedial actions, or the imposition of additional local or foreign parties as joint venture partners, any of which could result in significant expenditures. We may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations or permitting requirements. Future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, cannot be accurately predicted and it is possible that these could cause us to incur additional expense, divert management time and attention from revenue generating activities or restrict or delay the exploration and development of our properties.

Our activities are subject to health, safety and environmental laws and regulations that may increase our costs and restrict our operations.

Our activities are subject to extensive laws and regulations governing the protection of the environment, natural resources and human health. These laws address, among other things, emissions into the air, discharges into water, management of waste, management of hazardous substances, protection of natural resources, antiquities and endangered species and reclamation of lands disturbed by mining operations. We are required to obtain governmental permits and in some instances provide bonding requirements under federal, state, or provincial air, water quality, and mine reclamation rules and permits. Although we make provisions for reclamation costs, it cannot be assured that these provisions will be adequate to discharge our future obligations for these costs. Violations of environmental, health and safety laws are subject to civil sanctions, and, in some cases, criminal sanctions, including the suspension or revocation of permits. While responsible environmental stewardship is one of our top priorities, we cannot assure you that we have been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental laws and permits will not materially and adversely affect our business, results of operations or financial condition.

Under certain environmental laws, we could be held jointly and severally liable for removal or remediation of any hazardous substance contamination at our current, former and future properties, at nearby properties, or at other third party sites where our wastes may have migrated or been disposed. We could also be held liable for damages to natural resources resulting from hazardous substance contamination. Additionally, environmental laws in some of the countries in which we operate require that we periodically perform environmental impact studies at our mines. We cannot guarantee that these studies will not reveal environmental impacts that would require us to make significant capital outlays or cause material changes or delays in our intended activities, any of which could adversely affect our business.

The failure to comply with environmental laws and regulations or liabilities related to hazardous substance contamination could result in project development delays, material financial impacts or other material impacts to our projects and activities, fines, penalties, lawsuits by the government or private parties, or material capital expenditures. Environmental legislation in many countries is evolving and the trend has been towards stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and increasing responsibility for companies and their officers, directors and employees. Future changes in these laws or regulations could have a significant adverse impact on some portion of our business, causing us to re-evaluate those activities at that time.

Land reclamation and mine closure requirements for our mineral properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation and mine closure requirements are generally imposed on mining companies in order to minimize long-term effects of land disturbance. Such requirements may include requirements to control dispersion of potentially deleterious effluents, and reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation and mine closure obligations imposed on us in connection with our exploration, potential development and production activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs, including providing the appropriate regulatory authorities with reclamation financial assurance. The amount and nature of the financial assurances are dependent upon a number of factors, including our financial condition and reclamation cost estimates. Changes to these amounts, as well as the nature of the collateral to be provided, could significantly increase our costs, making the maintenance and development of existing and new mines less economically feasible. To the extent that the value of the collateral provided to the regulatory authorities is or becomes insufficient to cover the amount of financial assurance we are required to post, we would be required to replace or supplement the existing security with more expensive forms of security, which might include cash deposits, which would reduce our cash available for operations and financing activities. There can be no guarantee that we will be able to maintain or add to our current level of financial assurance. We may not have sufficient capital resources to further supplement our existing security.

Certain of our mineral properties have been subject to historic mining operations and certain of the mineral properties that were historically mined by us are subject to remediation obligations. We have set up a provision for our reclamation bonds but this provision may not be adequate. The actual costs of reclamation and mine closure are uncertain and planned expenditures may differ from the actual expenditures required. Therefore, the amount that we are required to spend could be materially higher than current estimates. Any additional amounts required to be spent on reclamation and mine closure may have an adverse effect on our financial position and results of operations and may cause us to alter our operations.

Mining is inherently risky and subject to conditions and events beyond our control.

The development and operation of a mine or mine property is inherently dangerous and involves many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome, including:

- unusual or unexpected geological formations;
- metallurgical and other processing problems;
- metal losses;
- environmental hazards;
- power outages;
- community relations problems;
- labor disruptions;
- industrial accidents;
- periodic interruptions due to inclement or hazardous weather conditions;

- flooding, explosions, fire, rockbursts, cave-ins and landslides;
- mechanical equipment and facility performance problems; and
- the availability of materials and equipment.

These risks could result in damage to, or destruction of, mineral properties, production facilities or other properties, personal injury or death, including to our employees, environmental damage, delays in mining, increased production costs, asset write downs, monetary losses and possible legal liability. We may not be able to obtain insurance to cover these risks at economically feasible premiums, or at all. We may suffer a material adverse effect on our business if we incur losses related to any significant events that are not covered by our insurance policies.

We are subject to assessment by taxation authorities in multiple jurisdictions that arise in the ordinary course of business, including the recent reassessment by the CRA.

In the normal course of business, we are subject to assessment by taxation authorities in various jurisdictions. Income tax provisions and income tax filing positions require estimates and interpretations of income tax rules and regulations of the various jurisdictions in which we operate and judgments as to their interpretation and application to our specific situation. Our business and operations of the business and operations of our subsidiaries is complex and we have, historically, undertaken a number of significant financings, acquisitions and other material transactions. The computation of income taxes payable as a result of these transactions involves many complex factors as well as our interpretation of and compliance with relevant tax legislation and regulations. While our management believes that the provision for income tax is appropriate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities who may challenge our interpretation of the applicable tax legislation and regulations.

On January 27, 2015, we received a NOR from the CRA in the aggregate amount of approximately C$41.4 million plus interest of approximately C$6.6 million related to the tax treatment of the 2010 sale of shares of our subsidiary that owned and operated the Snowfield and Brucejack projects. The CRA has asserted that the sale was on account of income and not capital, as we recorded it. Our management strongly disagrees with the CRA's position in the NOR and we plan on filing a Notice of Objection and, if necessary, a Notice of Appeal to the Tax Court of Canada. In order to appeal the reassessment, we have paid to the CRA the minimum payment amount of 50% of the reassessed amount claimed by the CRA under the NOR plus interest accrued to the date of the NOR.

Although the outcome of this matter cannot be predicted with certainty, we intend to contest the matter vigorously, and believe we will ultimately prevail based on the merits of our position. At this time, we have not recognized an income tax provision for this amount. However, we will continue to evaluate our tax provisions as the matter progresses through appeals and, if necessary, the litigation process. If the CRA's position is ultimately sustained, it would have a material impact on earnings and financial resources in the period that the matter is ultimately resolved.

We are subject to claims and legal proceedings that arise in the ordinary course of business.

We are subject to various claims and legal proceedings, including adverse rulings in current or future litigation against us and/or our directors or officers, covering a wide range of matters that arise in the ordinary course of business activities. Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavorably to us. We carry liability insurance coverage and establish reserves for matters that are probable and can be reasonably estimated. In addition, we may be involved in disputes with other parties in the future that may result in litigation, which may have a material adverse impact on our future cash flows, profitability, results of operations and financial condition.

For example, in the fourth quarter of 2013, Pretium and certain of Pretium's officers and directors were named in class action lawsuits filed with the United States District Court for the Southern District of New York on behalf of investors of Pretium. We were also been named as a defendant in two of the actions. However, in the first quarter of 2014, a consolidated amended complaint was filed that did not include us as a defendant.

We are subject to anti-corruption laws.

We are subject to anti-corruption laws under the Canadian *Corruption of Foreign Public Officials Act* and the U.S. *Foreign Corrupt Practices Act*, which generally prohibit companies from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, we may also be subject to the extra-territorial provisions of the *Bribery Act 2010* (United Kingdom) which, in certain circumstances, can apply to offences committed outside of the United Kingdom by foreign companies. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices may occur from time-to-time in Argentina, Peru, Mexico or any other jurisdiction in which we may conduct business, and we cannot assure you that our employees or other agents will not engage in such prohibited conduct for which we might be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations. We have an anti-corruption compliance policy and internal controls and procedures intended to address compliance and business integrity issues, and we train our employees on anti-bribery compliance on a global basis. However, despite careful establishment and implementation, we cannot assure you that these or other anti-bribery, anti-fraud or anti-corruption policies and procedures are or will be sufficient to protect against fraudulent and/or corrupt activity. In particular, we, in spite of our best efforts, may not always be able to prevent or detect corrupt or unethical practices by employees or third parties, such as subcontractors or joint venture partners, which may result in reputational damage, civil and/or criminal liability (under the *Corruption of Foreign Public Officials Act*, the U.S. *Foreign Corrupt Practices Act* or any other relevant compliance, anti-bribery, anti-fraud or anti-corruption laws) being imposed on us.

We may fail to maintain adequate internal control over financial reporting pursuant to the requirements of applicable regulations.

We document and test our internal control procedures in order to maintain adequate internal control over our financial reporting and satisfy the requirements of applicable regulations, including Section 404 of the *Sarbanes Oxley Act of 2002* ("SOX"). SOX requires, among other things, an annual assessment by management of the effectiveness of our internal control over financial reporting and an attestation report by our independent auditors addressing the effectiveness of internal control over financial reporting. We may fail to maintain the adequacy of our internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and we may not be able to conclude, on an ongoing basis, that we have effective internal control over financial reporting in accordance with applicable regulations. Our failure to satisfy the requirements of applicable regulations on an ongoing, timely basis could result in the loss of investor confidence in the reliability of our financial statements, which in turn could harm our business and negatively impact the trading price or the market value of our securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our operating results or cause us to fail to meet our reporting obligations. Future acquisitions of companies, if any, may provide us with challenges in implementing the required processes, procedures and controls in our acquired operations. No evaluation can provide complete assurance that our internal control over financial reporting will detect or uncover all failures of persons within our company to disclose material information otherwise required to be reported. The effectiveness of our processes, procedures and controls could also be limited by simple errors or faulty judgments. In addition, as we continue to expand, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that we continue to monitor our internal control over financial reporting. Although we intend to expend substantial time and incur substantial costs, as necessary, to ensure ongoing compliance, we cannot be certain that we will be successful in complying with applicable regulations, including Section 404 of SOX.

We are subject to evolving corporate governance and public disclosure regulations that have increased both our compliance costs and the risk of non-compliance, which could have an adverse effect on our stock price.

We are subject to changing rules and regulations promulgated by a number of U.S. and Canadian governmental and self-regulated organizations, including the SEC, the CSA, the Nasdaq Global Market ("Nasdaq"), the Toronto Stock Exchange ("TSX"), and the IASB. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws that have been enacted, making compliance more difficult and uncertain. For example, on December 16, 2014, the Canadian *Extractive Sector Transparency Measures Act*, which imposes significant annual reporting obligations regarding certain categories of payments made by Canadian resource extraction issuers to domestic and foreign governments, received royal assent and is expected to be brought into effect by April 1, 2015. Our efforts to comply with new regulations have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities.

Compliance with emerging climate change regulations could result in significant costs and climate change may present physical risks to a mining company's operations.

Greenhouse gases ("GHGs") are emitted directly by our operations, as well as by external utilities from which we purchase power. Currently, a number of international and national measures to address or limit GHG emissions, including the Kyoto Protocol, the Copenhagen Accord and the Durban Platform, are in various phases of discussion or implementation in the countries in which we operate. In particular, the Durban Platform commits all parties to the conference to develop a global mitigation regime which could take effect in 2020, with the specific terms of that legally binding accord, including individual targets, to be finalized by 2015. These, or future, measures could require us to reduce our direct GHG emissions or energy use or to incur significant costs for GHG emissions permits or taxes or have these costs or taxes passed on by electricity utilities which supply our operations. We could also incur significant costs associated with capital equipment, GHG monitoring and reporting and other obligations to comply with applicable requirements. For example, Australia implemented a carbon trading scheme commencing in July 2012, with a fixed carbon price through July 2015. Other countries, including South Africa, Brazil and the United States, have passed or are considering GHG trading or tax schemes, and/or other regulation of GHG emissions, though the precise impact on our operations cannot yet be determined.

In addition, our operations could be exposed to a number of physical risks from climate change, such as changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures and extreme weather events. Events or conditions such as flooding or inadequate water supplies could disrupt mining and transport operations, mineral processing and rehabilitation efforts, could create resource shortages and could damage our property or equipment and increase health and safety risks on site. Such events or conditions could have other adverse effects on our workforce and on the communities around our mines, such as an increased risk of food insecurity, water scarcity and prevalence of disease.

Our interest in deferred consideration received from divestitures may not be fully realizable.

As partial consideration for our disposition of the San Agustín project in Mexico, we received deferred cash consideration, including $20 million due to be received on May 5, 2015. We also have a NSR royalty on sulphide ores processed from the San Agustín project. In addition, in connection with our disposition of the Challacollo project in Chile, we received as partial consideration the contingent right to receive additional common shares of Mandalay and an aggregate cash payment payable in installments (based on the average quarterly silver price), in each case dependent on the commencement of commercial production at the Challacollo project. We also have a NSR royalty on silver sales in excess of certain quantities from the Challacollo project. We are not able to provide any assurances that we will be able to realize the full value of these interests.

Our mineral properties may be subject to uncertain title.

We cannot assure you that title to our mineral properties will not be challenged. We own, lease or have under option, unpatented and patented mining claims, mineral claims or concessions which constitute our property holdings. The ownership and validity, or title, of unpatented mining claims and concessions are often uncertain and may be contested. Also, we may not have, or may not be able to obtain or economically obtain, all necessary surface rights to develop a property. Title insurance is generally not available for mineral properties and our ability to ensure that we have obtained a secure claim to individual mining properties or mining concessions may be severely constrained. We have not conducted surveys of all of the claims in which we hold direct or indirect interests. A successful claim contesting our

title to a property will cause us to lose our rights to explore and, if warranted, develop that property or undertake or continue production thereon. This could result in us not being compensated for our prior expenditures relating to the property.

In addition, certain of our properties are located in areas that were and are inhabited by indigenous people. If historical artifacts or archaeological sites are discovered on or near our properties, we may be prohibited or restricted from developing or mining our mineral properties or be required to relocate or preserve such findings.

Our insurance coverage does not cover all of our potential losses, liabilities and damages related to our business and certain risks are uninsured and uninsurable.

Our business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labor disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, mechanical failures, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fires, floods, hurricanes and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to our properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although we maintain insurance to protect against certain risks in such amounts as we consider reasonable, our insurance will not cover all of the potential risks associated with a mining company's operations. We may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as loss of title to mineral property, environmental pollution, or other hazards as a result of exploration and production is not generally available to us or to other companies in the mining industry on acceptable terms. We might also become subject to liability for pollution or other hazards which may not be insured against or which we may elect not to insure against because of premium costs or other reasons. Losses from these events may cause us to incur significant costs that could have a material adverse effect upon our financial performance and results of operations.

Civil disobedience in certain of the countries where our mineral properties are located could adversely affect our business.

Acts of civil disobedience are common in certain of the countries where our properties are located. In recent years, many mining companies have been the targets of actions to restrict their legally-entitled access to mining concessions or property. Such acts of civil disobedience often occur with no warning and can result in significant direct and indirect costs. We cannot assure you that there will be no disruptions to site access in the future, which could adversely affect our business.

Some of our operations are subject to significant safety and security risks.

We currently conduct mining operations in Argentina and the United States, and have additional exploration projects in Mexico, Peru and other countries. As a result, we are exposed to various levels of safety and security risks which could result in injury, damage to property, work stoppages, or blockades of our mining operations. Some of our operations, including the Pitarrilla project, are also located in areas where Mexican drug cartels operate. Risks and uncertainties vary from region to region and include, but are not limited to, terrorism, hostage taking, local drug gang activities, military repression, labor unrest and war or civil unrest. Local opposition to mine development projects could arise and such opposition may be violent. If we were to experience resistance or unrest in connection with our operations at the Pirquitas mine, it could have a material adverse effect on our operations and profitability.

We may be required by human rights laws to take actions that delay our operations or the advancement of our projects.

Various international and national laws, codes, resolutions, conventions, guidelines and other materials relate to human rights (including rights with respect to health and safety and the environment surrounding our operations). Many of these materials impose obligations on government and companies to respect human rights. Some mandate that government consult with communities surrounding our projects regarding government actions that may affect local stakeholders, including actions to approve or grant mining rights or permits. The obligations of government and private

parties under the various international and national materials pertaining to human rights continue to evolve and be defined. One or more groups of people may oppose our current and future operations or further development or new development of our projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations such as protests, roadblocks or other forms of public expression against our activities, and may have a negative impact on our reputation. Opposition by such groups to our operations may require modification of, or preclude the operation or development of, our projects or may require us to enter into agreements with such groups or local governments with respect to our projects, in some cases causing considerable delays to the advancement of our projects.

Increased mining exploration, development and construction activity in recent years has increased demand for, and the cost of, exploration, development and construction services and equipment.

The relative strength of metal prices over the past several years has encouraged increases in mining exploration, development and construction activities around the world, which has resulted in increased demand for, and the cost of, exploration, development and construction services and equipment. While recent market conditions have had a moderating effect on the costs of such services and equipment, increases in such costs may continue with the resumption of an upward trend in metal prices. Increased demand for services and equipment could result in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and may cause scheduling difficulties due to the need to coordinate the availability of services or equipment, any of which could materially increase project exploration, development and/or construction costs.

We face industry competition in the acquisition of mineral properties.

We compete with other exploration and production companies, many of which are better capitalized, have greater financial resources, operational experience and technical capabilities, or are further advanced in their development or are significantly larger and have access to greater Mineral Reserves than us, for the acquisition of mineral claims, leases and other mineral interests.

Import restrictions on equipment or supplies could adversely affect our ability to operate our business.

We are dependent on various supplies and equipment to carry out our operations at the Pirquitas mine. The Argentine government has introduced measures requiring local sourcing of equipment and supplies wherever possible. The shortage or poor quality of supplies, equipment and parts as a result of such restrictions could have a material adverse effect on our ability to carry out operations and therefore limit production or increase the cost thereof.

We may be unable to complete and successfully integrate an announced acquisition.

We expect to continue to evaluate acquisition opportunities and pursue those opportunities we believe are in our long-term best interests. The success of our acquisitions will depend upon our ability to effectively manage the integration and operations of entities or properties we acquire and to realize other anticipated benefits. The process of managing acquired businesses may involve unforeseen difficulties and may require a disproportionate amount of management resources, which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. Any acquisitions would be accompanied by risks. For example, there may be a significant change in commodity prices after we have committed to complete the transaction and established the purchase price or exchange ratio; a material ore body may prove to be below expectations; we may have difficulty integrating and assimilating the operations and personnel of any acquired companies, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization; and the acquired business or assets may have unknown liabilities which may be significant. There can be no assurance that we will be able to successfully manage the integration and operations of businesses or properties we acquire or that the anticipated benefits of our acquisitions will be realized.

Some of our directors and officers may have conflicts of interest as a result of their involvement with other natural resource companies.

Some of our directors and officers are directors or officers of other natural resource or mining-related companies. These associations may give rise to conflicts of interest from time to time. As a result of these conflicts of interest, we may

miss the opportunity to participate in certain transactions, which may have a material adverse effect on our financial position.

We may be subject to information systems security threats.

We have entered into agreements with third parties for hardware, software, telecommunications and other information technology ("IT") services in connection with our operations. Our operations depend, in part, on how well we and our suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, vandalism and theft. Our operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact our reputation and results of operations.

Although to date we have not experienced any material losses relating to cyber-attacks or other information security breaches, there can be no assurance that we will not incur such losses in the future. Our risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As cyber threats continue to evolve, we may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

An event of default under our outstanding convertible notes may significantly reduce our liquidity and adversely affect our business.

Under the indenture governing our 2013 Notes, we have made various covenants to the trustees on behalf of the holders of such notes, including to make payments of interest and principal when due and, upon undergoing a fundamental change, to offer to purchase all of the outstanding 2013 Notes, plus any accrued and unpaid interest, if any.

If there is an event of default under the 2013 Notes, the principal amount of such notes, plus accrued and unpaid interest, if any, may be declared immediately due and payable. If such an event occurs, this would place additional strain on our cash resources, which could inhibit our ability to further our exploration and development activities.

RISKS RELATED TO OUR COMMON SHARES

Future sales or issuances of equity securities could decrease the value of any existing common shares, dilute investors' voting power and reduce our earnings per share.

We may sell additional equity securities (including through the sale of additional securities convertible into common shares) and may issue additional equity securities to finance our operations, development, exploration, acquisitions or other projects. We cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of our common shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for our common shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per share.

Our common shares are publicly traded and are subject to various factors that have historically made our common share price volatile.

The market price of our common shares has experienced, and may continue to experience, significant volatility, which may result in losses to investors. Since January 1, 2009, the closing trading price of our common shares on the Nasdaq has ranged from a low of US$3.92 per share to a high of US$35.94 per share and on the TSX has ranged from a low of C$4.46 per share to a high of C$34.17 per share. The market price of our common shares may increase or decrease in response to a number of events and factors, including: our operating performance and the performance of competitors and other similar companies; volatility in metal prices; the public's reaction to our press releases on developments at the Pirquitas mine, the Marigold mine and our other properties, material change reports, other public announcements and our filings with the various securities regulatory authorities; changes in earnings estimates or recommendations by research analysts who track our common shares or the shares of other companies in the resource sector; changes in general economic and/or political conditions; the number of common shares to be publicly traded after an offering of our common shares; the arrival or departure of key personnel; acquisitions, strategic alliances or joint ventures involving us or our competitors; and the factors listed under the heading "*Introductory Notes – Cautionary Notice Regarding Forward-Looking Statements*".

In addition, the global stock markets and prices for mining company shares have experienced volatility that often has been unrelated to the operating performance of such companies. These market and industry fluctuations may adversely affect the market price of our common shares, regardless of our operating performance. The variables which are not directly related to our success and are, therefore, not within our control, include other developments that affect the market for mining company shares, the breadth of the public market for our common shares and the attractiveness of alternative investments. The effect of these and other factors on the market price of our common shares on the exchanges on which they trade has historically made our common share price volatile and suggests that our common share price will continue to be volatile in the future.

DIVIDENDS

We have not declared or paid any dividends on our common shares since 1955. We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on our common shares in the foreseeable future. Any return on an investment in our common shares will come from the appreciation, if any, in the value of our common shares. The payment of future cash dividends, if any, will be reviewed periodically by our Board of Directors and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

DESCRIPTION OF CAPITAL STRUCTURE

Our authorized share capital consists of an unlimited number of common shares, without par value, of which 80,754,434 common shares were issued and outstanding as at December 31, 2014. In addition, we had 2,377,065 common shares reserved for issuance pursuant to outstanding stock options, which were exercisable at a weighted average price of C$12.68 per share, as at December 31, 2014. In 2013, we issued the 2013 Notes, which bear interest at 2.875% payable semi-annually in arrears on February 1 and August 1 of each year and are convertible by holders into our common shares.

COMMON SHARES

All of our common shares rank equally as to voting rights, participation in a distribution of our assets on a liquidation, dissolution or winding-up and the entitlement to dividends. The holders of our common shares are entitled to receive notice of, and to attend and vote at, all meetings of shareholders (other than meetings at which only holders of another class or series of shares are entitled to vote). Each common share carries with it the right to one vote.

In the event of our liquidation, dissolution or winding-up or other distribution of our assets, the holders of our common shares will be entitled to receive, on a pro rata basis, all of the assets remaining after we have paid out our liabilities. Distributions in the form of dividends, if any, will be set by our Board of Directors. See "*Dividends*".

Any alteration of the rights attached to our common shares must be approved by at least two-thirds of the common shares voted at a meeting of our shareholders.

In March 2012, we adopted a shareholder rights plan (the “Rights Plan”). The Rights Plan is similar to shareholder rights plans adopted by other Canadian public companies and was not adopted in response to, or in anticipation of, any known take-over bid. The Rights Plan has successive three-year terms and will expire at the close of our annual and special meeting of shareholders in 2015, unless it is reconfirmed by shareholders at such meeting or otherwise terminated in accordance with its terms prior to that time. A copy of the Rights Plan is available under our profile on the SEDAR website at www.sedar.com.

STOCK OPTIONS

Stock options to purchase our securities are granted to our employees on terms and conditions acceptable to the regulatory authorities in Canada. At our annual general meeting held on May 9, 2014, our shareholders approved an amended and restated stock option plan that reserves 6% of our issued and outstanding shares for issuance on exercise of stock options, including previously granted stock options.

Under our stock option plan: (a) the maximum number of shares reserved for issuance under the plan is 6% of our issued and outstanding shares; (b) stock options in favor of any one individual may not exceed 5% of the issued and outstanding common shares; (c) no stock option is transferable by the optionee other than by will or the laws of descent and distribution; (d) a stock option is exercisable during the lifetime of the optionee only by such optionee; (e) the maximum term of each stock option is ten years, with the vesting period determined at the discretion of the Board of Directors; and (f) the minimum exercise price for a stock option is equal to the greater of the (i) closing price of our shares on the TSX on the day preceding the date of grant, and (ii) volume weighted average trading price of our common shares on the TSX, calculated by dividing the total value by the total volume of common shares traded, for the five trading days immediately preceding the granting of the option.

The number of stock options and the number of common shares subject to such stock options granted to officers and executives as a group and employees and consultants as a group are set out below as at December 31, 2014. The exercise price of the stock options is stated in Canadian dollars.

Optionholders	Number of Options Outstanding	Exercise Price (C$)	Expiry Date
Officers and Executives	94,636	$15.41	January 18, 2019
	500,000	$17.38	August 13, 2020
	150,000	$17.47	January 31, 2019
	64,400	$23.14	January 27, 2018
	26,667	$23.57	May 15, 2019
	10,000	$24.41	December 16, 2019
	299,550	$12.99	January 25, 2020
	150,000	$10.10	March 12, 2020
	555,100	$7.37	January 1, 2021
	120,000	$11.18	April 1, 2021
	106,737	$7.26	June 1, 2021
	50,000	$6.48	December 1, 2021
Other Employees and Consultants	3,834	$11.50	December 11, 2018
	6,500	$24.41	December 16, 2019
	10,000	$17.38	August 13, 2020
	20,000	$28.78	March 9, 2018
	15,000	$15.15	March 17, 2019
	10,000	$11.68	May 16, 2019
	37,500	$10.10	March 12, 2020
	20,000	$9.50	September 1, 2020
	73,000	$11.18	April 1, 2020
	54,141	$7.26	June, 2, 2020
Total:	**2,377,605**		

CONVERTIBLE NOTES

2.875% Convertible Senior Notes due 2033

In 2013, we issued the 2013 Notes pursuant to an indenture dated as of January 16, 2013 (the “Indenture”). The 2013 Notes bear interest at 2.875% payable semi-annually in arrears on February 1 and August 1 of each year and are convertible by holders into our common shares, based on an initial conversion rate of 50 common shares per $1,000 principal amount of 2013 Notes, at any time up to and including the second business day immediately preceding March 1, 2033, subject to earlier redemption or purchase.

We may not redeem the 2013 Notes before February 1, 2018, except in the event of certain changes in Canadian tax law. On or after that date but before February 1, 2020, we may redeem all or part of the 2013 Notes for cash, but only if the last reported sale price of our common shares for 20 or more trading days in a period of 30 consecutive trading days ending on the trading day prior to the date we provide notice of redemption exceeds 130% of the conversion price in effect on each such trading day. The redemption price will be equal to the sum of: (a) 100% of the principal amount of the 2013 Notes to be redeemed; (b) accrued and unpaid interest, if any, to, but excluding, the redemption date; and (c) a “make-whole premium”, payable in cash, equal to the present value of the remaining scheduled payments of interest that would have been made on the 2013 Notes to be redeemed had they remained outstanding until February 1, 2020.

On or after February 1, 2020, we may redeem the 2013 Notes, in whole or in part, for cash equal to 100% of the 2013 Notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Holders may require us to purchase all or a portion of their 2013 Notes on each of February 1, 2020, February 1, 2023, and February 1, 2028 for cash at a purchase price equal to 100% of the principal amount of the 2013 Notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the purchase date.

In the event of a fundamental change (as defined in the Indenture), we are required to offer to purchase all of the outstanding 2013 Notes at a purchase price in cash equal to 100% of the principal amount of the 2013 Notes to be purchased, plus any accrued and unpaid interest, if any, to, but excluding, the purchase date.

The 2013 Notes are our senior unsecured obligations and rank equally with all of our existing and future senior unsecured indebtedness. The 2013 Notes are effectively subordinated to all of our existing and future secured indebtedness and all existing and future liabilities of our subsidiaries, including trade payables. The Indenture does not restrict us from incurring further indebtedness including secured indebtedness.

The Indenture requires us to comply with certain reporting and other non-financial covenants.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

Our common shares are listed on the Nasdaq and the TSX under the trading symbols “SSRI” and “SSO,” respectively. The following table sets out the market price range and total trading volumes of our common shares on the Nasdaq and the TSX for the periods indicated.

Nasdaq Global Market

Year		High (US$)	Low (US$)	Volume (no. of shares)
2014	December	$ 5.98	$ 4.16	82,618,430
	November	$ 6.13	$ 3.92	55,555,272
	October	$ 6.26	$ 4.30	56,377,885
	September	$ 9.21	$ 6.04	39,562,849
	August	$ 10.11	$ 8.26	25,065,563
	July	$ 9.83	$ 8.41	32,506,049
	June	$ 9.08	$ 6.28	28,872,099
	May	$ 10.40	$ 6.38	24,645,079
	April	$ 11.17	$ 9.18	22,847,031
	March	$ 12.21	$ 9.61	49,326,803
	February	$ 10.99	$ 7.22	40,399,559
	January	$ 8.63	$ 7.03	32,848,845

Toronto Stock Exchange

Year		High (C$)	Low (C$)	Volume (no. of shares)
2014	December	$ 6.85	$ 4.86	24,992,790
	November	$ 6.89	$ 4.46	16,277,291
	October	$ 7.00	$ 4.85	16,020,217
	September	$ 10.04	$ 6.77	8,727,028
	August	$ 11.05	$ 9.07	8,339,162
	July	$ 10.55	$ 8.89	11,402,430
	June	$ 9.75	$ 6.86	9,519,416
	May	$ 11.41	$ 6.93	6,890,942
	April	$ 12.17	$ 10.12	8,212,344
	March	$ 13.52	$ 10.64	11,228,511
	February	$ 12.17	$ 8.01	12,187,152
	January	$ 9.59	$ 7.39	8,622,643

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To our knowledge, none of our securities are held in escrow or subject to a contractual restriction on transfer as of the date of this Annual Information Form.

DIRECTORS AND EXECUTIVE OFFICERS

The names, positions or offices held with us, province/state and country of residence, and principal occupation of our directors and executive officers as at March 23, 2015 are set out below. In addition, the principal occupations of each of our directors and executive officers within the past five years are disclosed in their brief biographies.

As at March 23, 2015, our directors and executive officers as a group beneficially owned, directly or indirectly, or exercised control or direction over 216,757 of our common shares, representing less than one percent of our issued and outstanding common shares before giving effect to the exercise of options to purchase common shares held by such directors and executive officers.

The term of our directors expires at the annual general meeting of shareholders where they can be nominated for re-election. The officers hold their office at the discretion of the board, but typically on an annual basis, after the annual general meeting, the directors pass resolutions to appoint officers and committees.

DIRECTORS

A.E. Michael Anglin – California, U.S.A. (Director since August 7, 2008; Independent)

Mr. Anglin is the Chair of our Safety and Sustainability Committee and a member of our Compensation Committee. During 2014, he also served as a member of the Audit Committee and the Corporate Governance and Nominating Committee. Mr. Anglin graduated with a Bachelor of Science (Honours) degree in Mining Engineering from the Royal School of Mines, Imperial College, London in 1977 and attained a Master of Science degree from the Imperial College in London in 1985. Mr. Anglin spent 22 years with BHP Billiton Ltd. (“BHP Billiton”), most recently serving as Vice President Operations and Chief Operating Officer of the Base Metals Group based in Santiago, Chile, before retiring in 2008.

Gustavo A. Herrero – Buenos Aires, Argentina (Director since January 8, 2013; Independent)

Mr. Herrero was appointed to our Board of Directors in January 2013, and is the Chair of our Corporate Governance and Nominating Committee and a member of our Audit and Compensation Committees. He is a resident of Buenos Aires, Argentina, and was the Executive Director of the Harvard Business School Latin America Research Center (LARC) until December 31, 2013, at which time he retired from that position and currently serves on the Harvard Business School Latin American Advisory Board. Prior to joining the LARC in 1999, he was the CEO of IVA S.A., Argentina's largest wool textile mill, and of Zucamor S.A./Papel Misionero S.A., Argentina's leading paper and packaging manufacturer. Mr. Herrero serves on the Board of Directors of Zucamor S.A. in Buenos Aires, Argentina and of Mobile Financial Services Holding, a joint venture of Telefonica International and MasterCard, in Brussels, Belgium. He sits on the advisory boards of business schools in Brazil, Venezuela, Peru and Argentina. He also sits on the advisory boards of the Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (CIPPEC) and the Fundación Red de Acción Política (RAP), both non-governmental organizations in Argentina. Mr. Herrero holds an MBA from Harvard Business School, where he was a Fulbright Scholar, and a degree of Licenciado en Administración de Empresas from the Universidad Argentina de la Empresa.

Beverlee F. Park – British Columbia, Canada (Director since May 20, 2014; Independent)

Ms. Park has been a member of our Board of Directors since May 2014, and is a member of our Safety and Sustainability and Audit Committees. Ms. Park graduated with a Bachelor of Commerce (Distinction) from McGill University. She is a CPA/FCA and has a Masters of Business Administration from the Simon Fraser University Executive program. Ms. Park spent 17 years with TimberWest Forest Corp. ("TimberWest"), most recently serving as its Chief Operating Officer before retiring in 2013. Prior to becoming Chief Operating Officer, Ms. Park also held the positions of Executive Vice President and Chief Financial Officer at TimberWest, as well as President, Couverdon Real Estate (TimberWest's land development division). Ms. Park also serves on the Boards of Teekay LNG Partners and InTransit BC.

Richard D. Paterson – California, U.S.A. (Director since August 7, 2008; Independent)

Mr. Paterson is the Chair of our Audit Committee and is our Audit Committee financial expert. He serves on our Corporate Governance and Nominating Committee and, during 2014, he also served as a member of our Safety and Sustainability Committee. Mr. Paterson graduated from Concordia University, Montreal with a Bachelor of Commerce degree in 1964. Mr. Paterson has been a Managing Director of Genstar Capital, a private equity firm specializing in leveraged buyouts, since 1988. Before founding Genstar Capital, Mr. Paterson served as Senior Vice President and Chief Financial Officer of Genstar Corporation, a NYSE-listed company, where he was responsible for finance, tax, information systems and public reporting.

Steven P. Reid – Alberta, Canada (Director since January 8, 2013; Independent)

Mr. Reid serves as the Chair of the Compensation Committee and as a member of our Safety and Sustainability Committee. He has over 35 years of international business experience, including senior leadership roles in Mexico and South America. He held the position of Chief Operating Officer of Goldcorp from January 2007 until his retirement in September 2012. He also served Goldcorp as Executive Vice President, Canada and U.S.A. Prior to joining Goldcorp, Mr. Reid spent 13 years at Placer Dome Inc. in numerous corporate, mine management and operating roles, including Country Manager for Canadian operations. Mr. Reid has also held leadership positions at Kingsgate Consolidated Limited and Newcrest Mining Limited, where he was responsible for running operations throughout Asia and Australia. Mr. Reid holds a Bachelor of Science degree in Mineral Engineering from the South Australian Institute of Technology and a TRIUM Global Executive MBA.

John Smith – British Columbia, Canada (Director since August 6, 2010; Not Independent)

Mr. Smith is our President and Chief Executive Officer and a member of the Board of Directors. He has over 30 years of varied experience in the resources industry. He started his career in the North Sea oil industry and spent 18 years with BHP Billiton, including serving as Vice President, Resourcing and Development, based in Melbourne, Australia. He has worked in various operational, strategic, M&A, and commercial roles within BHP Billiton, including over three years as CEO of the BHP Billiton Mitsubishi Alliance, which operates one of the world's largest coal operations in the Bowen Basin of Queensland, consisting of nine mines, a port, and 4,000 employees. Under his leadership, four of the mines completed significant expansion projects, one new mine was brought into operation, and a tenth mine was developed to within a year of production. He has a BA, Commerce degree from Robert Gordon University in Aberdeen, Scotland, and an MBA from Aberdeen University (Distinction).

Peter W. Tomsett – British Columbia, Canada (Director since November 7, 2006; Independent)

Mr. Tomsett is the Chair of our Board of Directors and a member of our Corporate Governance and Nominating Committee. Mr. Tomsett graduated with a Bachelor of Engineering (Honours) degree in Mining Engineering from the University of New South Wales, later attaining a Master of Science (Distinction) degree in Mineral Production Management from the Imperial College in London. Mr. Tomsett spent 20 years at Placer Dome Inc., latterly serving as President and Chief Executive Officer until its acquisition by Barrick in 2006.

OFFICERS

Nadine Block – British Columbia, Canada

Ms. Block is our Vice President, Human Resources. She has over 20 years of experience as a human resources professional. Before joining Silver Standard, Ms. Block provided HR consulting services to various mining organizations as well as other industries, including specialty food and manufacturing. Prior to her HR consulting, Ms. Block was Vice President, Human Resources for Quadra FNX Mining, Vice President, Human Resources for Pan American Silver, and Senior Vice President, Human Resources for Finning International Inc. Ms. Block holds an MBA from McGill University and is a graduate of the University of British Columbia with a Bachelor of Arts in psychology.

W. John DeCooman – British Columbia, Canada

Mr. DeCooman is our Vice President, Business Development and Strategy. His experience prior to joining Silver Standard in 2009 includes over 15 years of mining project finance and advisory responsibilities at Candente Resource Corporation, Deutsche Bank, Alex Brown and Standard Bank, as well as corporate positions in finance, business development and exploration. Mr. DeCooman holds a Bachelor of Science degree from The Pennsylvania State University and a Master of Science degree from the Colorado School of Mines.

Jonathan Gilligan – British Columbia, Canada

Dr. Gilligan is our Vice President, Technical and Project Development and has 30 years' experience in the mining industry. Prior to joining Silver Standard, Dr. Gilligan was Director and Principal Consultant of J M Gilligan Consulting Pty, Ltd. in Australia, providing strategic and technical mining-related professional services to the mining industry in the fields of exploration, resource development, capital project studies and mine operations evaluation. Previous to this, Dr. Gilligan held progressively senior roles with BHP Billiton including Vice President – Special Projects, Project Director – Mine Autonomy Project, Deputy Project Director – Olympic Dam Expansion, Manager Operations – Escondida Norte and Manager Geology – Escondida. Dr. Gilligan obtained his B.Sc. (Hons) in Geology from the University College London and his Ph.D. in Economic Geology from Southampton University.

Gregory J. Martin – British Columbia, Canada

Mr. Martin has served as our Senior Vice President and Chief Financial Officer since January 2012. Before joining Silver Standard, Mr. Martin served as Vice President, Business Development and Treasurer for NovaGold Resources Inc. Prior to that, Mr. Martin held executive financial roles with Finning International Inc., Zincore Metals Inc. and Placer Dome Inc. Mr. Martin is a Certified Professional Accountant, holds an MBA from the University of Western Ontario's Ivey School of Business and is a graduate of the University of British Columbia with a B.A.Sc. in Civil Engineering.

Alan N. Pangbourne – British Columbia, Canada

Mr. Pangbourne is our Senior Vice President, Projects. Before joining Silver Standard, Mr. Pangbourne was the Vice President Projects, South America, at Kinross Gold Corporation. Prior to this, he held a number of senior project and operating roles at BHP Billiton, including President and Chief Operating Officer of Cerro Matoso, BHP Billiton's nickel business in Colombia. He was also the Projects Director for BHP Billiton's Uranium Division, which includes the Olympic Dam Expansion, and Project Manager for BHP Billiton's Spence copper project in Chile. Mr. Pangbourne holds a Bachelor of Applied Science (Extractive Metallurgy) and a Graduate Diploma in Mineral Processing from the Western Australian School of Mines.

Kelly Stark-Anderson – British Columbia, Canada

Ms. Stark-Anderson is our Vice President, Legal and Corporate Affairs. She has over 20 years of experience as a lawyer. Before joining Silver Standard, she ran a law firm providing corporate secretarial, governance and securities compliance services to public, private and crown entities. Prior to starting her own firm, Ms. Stark-Anderson held progressively senior in-house counsel positions with the Spectra Energy group of companies. She also practiced law with Blake, Cassels & Graydon LLP in the firm's Toronto, Calgary and Vancouver offices. Ms. Stark-Anderson obtained her Bachelor of Laws from the University of Toronto and a Bachelor of Arts, Honours Economics from the University of Calgary.

Except as described below, each of the individuals named above has been engaged for more than five years in his or her present principal occupation or organization in which he or she currently holds his or her principal occupation:

Name of Director or Officer	Five-Year Employment History
Gustavo A. Herrero	Mr. Herrero was the Executive Director of the LARC for Harvard Business School until December 31, 2013 and currently serves on the Harvard Business School Latin American Advisory Board.
Beverlee F. Park	Prior to joining the Silver Standard Board of Directors, Ms. Park spent 17 years with TimberWest, most recently serving as its Chief Operating Officer before retiring in 2013. Prior to becoming Chief Operating Officer, Ms. Park also held the positions of Executive Vice President and Chief Financial Officer at TimberWest, as well as President, Couverdon Real Estate (TimberWest's land development division).
Steven P. Reid	Mr. Reid held the position of Chief Operating Officer of Goldcorp from January 2007 until his retirement in September 2012.
John Smith	Mr. Smith spent the 18 years prior to joining Silver Standard in August 2010 with BHP Billiton, most recently as Vice President, Resourcing and Development, based in Melbourne, Australia.
Nadine Block	Before joining Silver Standard, Ms. Block provided HR consulting services to various mining organizations as well as other industries. Prior to her HR consulting, Ms. Block was Vice President, Human Resources for Quadra FNX Mining.
Jonathan Gilligan	Prior to joining Silver Standard, Dr. Gilligan was Director and Principal Consultant of J M Gilligan Consulting Pty, Ltd. in Australia. Previous to this, Dr. Gilligan was Vice President – Special Projects at BHP Billiton.
Gregory J. Martin	Prior to joining Silver Standard in January 2012, Mr. Martin served as Vice President, Business Development and Treasurer for NovaGold Resources Inc. Prior to that, Mr. Martin held an executive financial role with Finning International Inc.
Alan N. Pangbourne	Prior to joining Silver Standard in February 2013, Mr. Pangbourne was the Vice President Projects, South America, at Kinross Gold Corporation. Prior to this, he held a number of senior project and operational roles at BHP Billiton, including President and Chief Operating Officer of Cerro Matoso, BHP Billiton's nickel business in Colombia, and Projects Director for BHP Billiton's Uranium Division, which includes the Olympic Dam Expansion.
Kelly Stark-Anderson	Prior to joining Silver Standard in January 2014, Mrs. Stark-Anderson ran a law firm providing corporate secretarial, governance and securities compliance services to public, private and crown entities.

STANDING COMMITTEES OF THE BOARD

There are currently four standing committees of our Board of Directors: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Safety and Sustainability Committee. The following table identifies the members of each of these committees:

BOARD COMMITTEE	COMMITTEE MEMBERS	STATUS
Audit Committee	Richard D. Paterson (Chair) Beverlee F. Park Gustavo A. Herrero	Independent Independent Independent
Compensation Committee	Steven P. Reid (Chair) A.E. Michael Anglin Gustavo A. Herrero	Independent Independent Independent
Corporate Governance and Nominating Committee	Gustavo A. Herrero (Chair) Richard D. Paterson Peter W. Tomsett	Independent Independent Independent
Safety and Sustainability Committee	A.E. Michael Anglin (Chair) Beverlee F. Park Steven P. Reid	Independent Independent Independent

CODE OF ETHICS

We have adopted a "code of ethics" (as that term is defined in Form 40-F of the SEC), entitled the "Code of Business Conduct and Ethics" (the "Code of Conduct"), that applies to our principal executive officer, principal financial officer and other senior financial officers performing similar functions. The Code of Conduct is available for viewing on our website at www.silverstandard.com.

All amendments to the Code of Conduct, and all waivers of the Code of Conduct with respect to our principal executive officer, principal financial officer or other senior financial officers performing similar functions, will be posted on our website.

CEASE TRADE ORDERS OR BANKRUPTCIES

No director or executive officer of Silver Standard is, as at the date of this Annual Information Form, or was within 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including Silver Standard), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of subsection (a) above, "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, and in each case that was in effect for a period of more than 30 consecutive days.

Other than as disclosed below, no director or executive officer of Silver Standard, or a shareholder holding a sufficient number of our securities of Silver Standard to affect materially control of Silver Standard:

(a) is, as at the date of this Annual Information Form, or has been within the 10 years before the date of this Annual Information Form, a director, chief executive officer or chief financial officer of any company (including Silver Standard) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Mr. Paterson was a director of a private company, Propex Inc., which filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in 2008.

Mr. Anglin was a director of EmberClear Corp. ("EmberClear") until September 8, 2014. EmberClear was the subject of cease trade orders issued by each of the Alberta Securities Commission, British Columbia Securities Commission and Ontario Securities Commission on October 30, 2014, November 5, 2014 and November 17, 2014, respectively. The cease trade orders were issued due to EmberClear's failure to file annual audited financial statements for the year ended June 30, 2014 and the related management's discussion and analysis. The cease trade orders against EmberClear were revoked in January 2015.

PENALTIES OR SANCTIONS

No director or executive officer of Silver Standard, or a shareholder holding a sufficient number of our securities to affect materially the control of Silver Standard, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision regarding Silver Standard.

CONFLICTS OF INTEREST

Certain of our directors and officers are directors or officers of other natural resource or mining related companies. These associations may give rise to conflicts of interest from time to time. We are not aware of any existing or potential conflicts of interest between Silver Standard or any of its subsidiaries and any of our directors or officers. If a director or officer has any conflict of interest or potential conflict of interest, the interested director or officer is required to disclose such conflict pursuant to and is expected to govern themselves in accordance with the BCBCA and the Code of Conduct. In particular, an interested director or officer will not participate in deliberations where he or she has a conflict or potential conflict of interest and, in the case of an interested director, will not vote on any such matter.

AUDIT COMMITTEE

The Audit Committee has the responsibility of, among other things: overseeing financial reporting, internal controls, the audit process and the establishment of "whistleblower" and related policies; recommending the appointment of the independent auditor and reviewing the annual audit plan and auditor compensation; pre-approving audit, audit-related and tax services to be provided by the independent auditor; and reviewing and recommending approval to the Board of Directors of our annual and quarterly financial statements and management's discussion and analysis and our Annual Information Form. The full text of the Audit Committee Charter is attached hereto as Schedule "A".

COMPOSITION OF THE AUDIT COMMITTEE

All members of the Audit Committee are independent and considered to be financially literate within the meaning of National Instrument 52-110 — *Audit Committees* ("NI 52-110"). The members of the Audit Committee are: Richard D. Paterson (Chair), Gustavo A. Herrero and Beverlee F. Park. Mr. Paterson is our Audit Committee financial expert. Ms. Park also qualifies as an Audit Committee financial expert.

For more information regarding relevant education and experience for Messrs. Paterson and Herrero and Ms. Park, see " *Directors and Executive Officers*".

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of our most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by our Board of Directors.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of our most recently completed financial year have we relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee's policy regarding the pre-approval of non-audit services to be provided to us by our independent auditors is that all such services shall be pre-approved by the Audit Committee. The Audit Committee

Charter allows the Audit Committee to delegate the pre-approval authority to a member of the Audit Committee. This pre-approval authority has been delegated to the Chair of the Audit Committee. Non-audit services that are prohibited to be provided to us by our independent auditors may not be pre-approved. In addition, prior to the granting of any pre-approval, the Audit Committee must be satisfied that the performance of the services in question will not compromise the independence of the independent auditors. All non-audit services performed by our auditors for the fiscal year ended December 31, 2014 have been pre-approved by our Audit Committee or the Audit Committee Chair, and in such case all non-audit services so pre-approved are presented to the full Audit Committee at its next regularly scheduled meeting. No non-audit services were approved pursuant to the *de minimis* exemption to the pre-approval requirement.

EXTERNAL AUDITOR SERVICE FEES

The aggregate fees billed by our external auditors, PricewaterhouseCoopers LLP, in each of the last financial years are as follows:

Financial Year Ending	Audit Fees(1)	Audit Related Fees(2)	Tax Fees(3)	All Other Fees(4)
2014	$557,187	$60,005	$324,867	--
2013	$485,078	$63,000	--	--

Notes:

(1) The aggregate audit fees billed.
(2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements which are not included under the heading "Audit Fees".
(3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning.
(4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".
(5) All audit and non-audit services performed by the external auditor during our two most recently completed financial years were pre-approved by the Audit Committee or the Audit Committee Chair, as discussed under the heading "*Pre-Approval Policies and Procedures*" above.

LEGAL PROCEEDINGS

CRA REASSESSMENT

On January 27, 2015, we received a NOR from the CRA in the amount of approximately C$41.4 million plus interest of approximately C$6.6 million related to the tax treatment of the 2010 sale of shares of our subsidiary that owned and operated the Snowfield and Brucejack projects. The CRA has asserted that the sale was on account of income and not capital, as we recorded it. Our management strongly disagrees with the CRA's position in the NOR and we plan on filing a Notice of Objection and, if necessary, a Notice of Appeal to the Tax Court of Canada. In order to appeal the reassessment, we have paid to the CRA the minimum payment amount of 50% of the reassessed amount claimed by the CRA under the NOR plus interest accrued to the date of the NOR.

EXPORT DUTIES

We entered into the Fiscal Agreement with the Federal Government of Argentina in 1998 for production from the Pirquitas mine. In December 2007, the DNA levied an export duty of approximately 10% from concentrates for projects with fiscal stability agreements pre-dating 2002 and the Federal Government has asserted that the Pirquitas mine is subject to this duty. We have challenged the legality of the export duty applied to silver concentrate and the matter is currently under review by the Federal Court (Jujuy) in Argentina.

The Federal Court (Jujuy) granted the Injunction, pending the decision of the courts with respect to our challenge of the legality of the application of the export duty. The Injunction was appealed by the Federal Government but upheld by each of the Federal Court of Appeal (Salta) on December 5, 2012 and the Federal Supreme Court of Argentina on September 17, 2013. The Federal Government also appealed the refund we claimed for the export duties paid before the Injunction, as well as matters of procedure related to the uncertainty of the amount reclaimed; however, on May 3, 2013, such appeal was dismissed by the Federal Court of Appeal (Salta). In September 2014, AFIP filed an application with the Federal Court (Jujuy) to lift the Injunction, requiring payment of the export duty and payment of applied interest charges. We filed a response to such application on October 14, 2014 and a decision is pending.

As of December 31, 2014, we have paid $6.6 million in export duties, for which we have filed for recovery. In accordance with the Injunction, we have not been paying export duties on silver concentrate but continue to accrue export duties. At December 31, 2014, we have accrued a liability totaling $56.1 million, for export duties with no accrual for interest charges, and have recorded a corresponding increase in cost of sales in the relevant period. The application of interest charges is uncertain, but if applied from the date each duty was levied, and based on current U.S. dollar rates, is estimated to be in the range of $4 million to $6.5 million. The final amount of export duties and interest, if any, to be paid or refunded depends on a number of factors, including the outcome of litigation. Changes in our assessment of this matter could result in material adjustments to our consolidated financial statements.

PRETIUM LAWSUIT

In the fourth quarter of 2013, Pretium and certain of Pretium's officers and directors were named in class action lawsuits filed with the United States District Court for the Southern District of New York on behalf of investors of Pretium. We were also named as a defendant in two of the actions. However, in the first quarter of 2014, a consolidated amended complaint was filed that did not include us as a defendant.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder holding on record or beneficially, directly or indirectly, more than 10% of our issued shares, or any of their respective associates or affiliates has any material interest, direct or indirect, in any transaction in which we have participated prior to the date of this Annual Information Form, or in any proposed transaction, which has materially affected or will materially affect us.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for our common shares is Computershare Investor Services Inc. at its offices in Toronto, Ontario and Vancouver, British Columbia.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts that we have entered in the financial year ended December 31, 2014, or before the last financial year but still in effect, are as follows:

1. Shareholder Rights Plan Agreement dated March 9, 2012 between Silver Standard and Computershare Investor Services Inc.;
2. the Indenture;
3. the Purchase Agreement;
4. Indemnity agreements made effective as of March 1, 2014 between Silver Standard and each of Gustavo A. Herrero, John Smith, A. E Michael Anglin, Peter W. Tomsett, Richard C. Campbell, Richard D. Paterson, Steven P. Reid, Alan N. Pangbourne, Andrew Sharp, Edward Kirwan, Gregory J. Martin, W. John DeCooman, Kelly Stark-Anderson and Bruce E. Huber;
5. Indemnity agreement made effective as of May 20, 2014 between Silver Standard and Beverlee F. Park; and
6. Indemnity agreements made effective as of August 6, 2014 between Silver Standard and each of Nadine J. Block and Jonathan Gilligan.

Copies of the above material contracts are available under our profile on the SEDAR website at www.sedar.com.

INTERESTS OF EXPERTS

The following persons referred have been named as having prepared or certified a report, valuation, statement or opinion described or included in a filing, or referred to in a filing, made under NI 51-102 during, or relating to, our financial year ended December 31, 2014: Bruce Butcher, P.Eng., F. Carl Edmunds, P.Geo., Trevor J. Yeomans, ACSM, P.Eng., James N. Carver, SME Registered Member, Karthik Rathnam, MAusIMM (CP), Thomas Rice, SME Registered Member, Warwick S. Board, P.Geo., and R. Bruce Kennedy, P.E.

None of the foregoing persons, or any director, officer, employee or partner thereof, as applicable, received or has received a direct or indirect interest in our property or the property of any of our associates or affiliates. The foregoing persons held an interest in either less than 1% or none of our securities or the securities of any associate or affiliate of ours when they prepared the reports, the Mineral Reserves estimates and the Mineral Resources estimates referred to herein and after the preparation of such reports and estimates, and they did not receive any direct or indirect interest in any of our securities or the securities of any associate or affiliate of ours in connection with the preparation of such reports or estimates. Neither the aforementioned persons, other than Bruce Butcher, F. Carl Edmunds, Trevor J. Yeomans, James N. Carver, Karthik Rathnam and Thomas Rice (each of whom is a Silver Standard employee), nor any director, officer, employee or partner, as applicable, of the aforementioned companies or partnerships is currently expected to be elected, appointed or employed as a director, officer or employee of us or of any associate or affiliate of us.

PricewaterhouseCoopers LLP, Chartered Accountants, provided an auditor's report dated February 19, 2015 in respect of our financial statements for the year ended December 31, 2014. PricewaterhouseCoopers LLP has advised us that they are independent with respect to Silver Standard in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia and within the meaning of PCAOB Rule 3520, Auditor Independence.

ADDITIONAL INFORMATION

Additional information, including that relating to directors' and officers' remuneration, principal holders of our securities and securities authorized for issuance under equity compensation plans, interests of insiders in material transactions and corporate governance practices, is contained in our management information circular for the annual general and special meeting of shareholders held on May 13, 2015.

Additional financial information is provided in our audited consolidated financial statements and management's discussion and analysis of the financial position and results of operations for the year ended December 31, 2014, which are available under our profile on the SEDAR website at www.sedar.com.

Additional information relating to us is available under our profile on the SEDAR website at www.sedar.com.

Dated March 24, 2015.

BY ORDER OF THE BOARD OF DIRECTORS

"*John Smith*"

John Smith
President and Chief Executive Officer

SCHEDULE "A"
AUDIT COMMITTEE CHARTER
(updated November 2014)

A. PURPOSE

The primary function of the Committee is to assist the Board in fulfilling its oversight responsibilities, relating to:

(i) the Company's accounting and financial reporting process and systems of internal accounting and financial controls;

(ii) the quality and integrity of the Company's financial statements;

(iii) the Company's compliance with legal and regulatory requirements; and

(iv) the independence and performance of the Company's external auditor.

B. COMPOSITION, PROCEDURES AND ORGANIZATION

1. The Board of Directors of the Company (the "Board") shall appoint the members and the Chair of the Committee each year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

2. The Committee shall consist of at least three members of the Board all of whom shall be independent in accordance with the securities laws, rules, regulations and guidelines of all applicable securities regulatory authorities, including without limitation the securities commissions in each of the provinces and territories of Canada and the U.S. Securities and Exchange Commission (the "SEC"), and the stock exchanges on which the Company's securities are listed, including without limitation the Toronto Stock Exchange and the Nasdaq Global Market ("Securities Laws"), subject to any exemptions provided thereunder.

3. All Committee members shall be financially literate as defined by Securities Laws and at least one member of the Committee shall be a "financial expert" as defined by the SEC, unless otherwise determined by the Board. The Chair of the Board shall be an ex-officio member of the Committee.

4. If the Chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

5. The Corporate Secretary of the Company shall be the secretary of the Committee, unless otherwise determined by the Committee.

6. The Committee shall meet at least four times annually on such dates and at such locations as may be determined by the Chair and may also meet at any other time or times on the call of the Chair, the external auditor or any two of the other Committee members.

7. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other. The Committee may also act by unanimous written consent of its members.

8. The external auditors or any two Directors may request the Chair to call a meeting of the Committee and may attend at such meeting or inform the Committee of a specific matter of concern to the external auditor or such Directors, and may participate in such meeting.

9. Notice of the time and place of every meeting shall be given in writing or by e-mail or facsimile communication to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however,

that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10. The Chair shall develop the Committee's agenda, in consultation with the other members of the Committee, the Board and management, as necessary. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

11. At the invitation of the Chair, one or more officers or employees of the Company may, and if required by the Committee shall, attend a meeting of the Committee. The external auditor shall receive notice of and have the right to attend all meetings of the Committee.

12. The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board when the Committee may deem appropriate (but not later than the next meeting of the Board).

13. The external auditor shall have a direct line of communication to the Committee through the Chair and may bypass management if deemed necessary. The external auditor shall report to the Committee and is ultimately accountable to the Board and the Committee.

14. The Committee, through its Chair, may contact directly the external auditor, the internal auditor, if any, and any employee of the Company as it deems necessary.

15. In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Company, to the Company's legal counsel and to such other information respecting the Company as it considers necessary or advisable in order to perform its duties and responsibilities.

16. The Committee shall annually assess its performance and review this charter and the calendar of activities, attached as Appendix A, and to submit any recommended changes thereto for approval by the Board of Directors.

C. OUTSIDE CONSULTANTS AND ADVISORS

The Committee, when it considers it necessary or advisable, may retain, at the Company's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

D. ROLES AND RESPONSIBILITIES

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities as outlined in the "Purpose" section of this charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee as outlined in the "Purpose" section of this charter.

The Committee shall carry out the duties set forth below for the Company, major subsidiary undertakings and the group as a whole, as appropriate. The Committee's principal responsibility is one of oversight. The Company's management is responsible for preparing the Company's financial statements and ensuring their accuracy and completeness, and the Company's external auditor is responsible for auditing and/or reviewing those financial statements. In carrying out these oversight responsibilities, the Committee is not required to provide any expert or special assurance as to the Company's financial statements or any professional certification as to the external auditor's work.

1. **Overall Duties and Responsibilities**

The overall duties and responsibilities of the Committee shall be as follows:

a) to assist the Board in the discharge of its responsibilities relating to the quality, acceptability and integrity of the Company's accounting policies and principles, reporting practices and internal controls;

b) to assist the Board in the discharge of its responsibilities relating to compliance with disclosure requirements under applicable Securities Laws, including approval of the Company's annual and quarterly consolidated financial statements together with the Management's Discussion and Analysis;

c) to oversee the work of and to establish and maintain a direct line of communication with the Company's external auditor and internal auditor (if any) and assess their performance;

d) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal controls; and

e) to report regularly to the Board on the fulfillment of its duties and responsibilities.

2. **Public Filings, Policies and Procedures**

The Committee is charged with the responsibility to:

a) review and approve for recommendation to the Board:

   i) the annual audited financial statements, with the report of the external auditors, Management's Discussion and Analysis and the impact of unusual items and changes in accounting policies and estimates;

   ii) the interim unaudited financial statements, Management's Discussion and Analysis and the impact of unusual items and changes in accounting policies and estimates;

   iii) financial information in earnings press releases;

   iv) the annual information form;

   v) prospectuses; and

   vi) financial information in other public reports and public filings requiring approval by the Board;

b) ensure adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the Company's disclosure controls and procedures, and management's evaluation thereof, to ensure that financial information is recorded, processed, summarized and reported within the time periods required by law;

c) review disclosures made to the Committee by the Chief Executive Officer and the Chief Financial Officer during their certification process for any statutory documents about any significant deficiencies in the design or operation of internal controls or material weakness therein and any fraud involving management or other employees who have a significant role in internal controls;

d) review with management and the external auditor:

   i) significant variances in actual financial results for the applicable period from budgeted or projected results;

   ii) any actual or proposed changes in accounting or financial reporting practices;

iii) any significant or unusual events or transactions and the methods used to account for significant or unusual transactions where different approaches are possible;

iv) any actual or potential breaches of debt covenants;

v) the consistency of, and any changes to, accounting policies both on a year to year basis and across the Company;

vi) whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments;

vii) the presentation and impact of significant risks and uncertainties;

viii) the accuracy, completeness and clarity of disclosure in the Company's financial reports and the context in which statements are made;

ix) any tax assessments, changes in tax legislation or any other tax matters that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

x) any litigation, claim or other contingency that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;

xi) all material information presented in Management's Discussion and Analysis;

xii) material communications between the external auditor and management, such as any management letter or schedule of unadjusted differences;

xiii) with the external auditor any fraud, illegal acts, deficiencies in internal controls or other similar issues; and

xiv) general accounting trends and issues of auditing policy, standards and practices which affect or may affect the Company;

e) review with management and the external auditor any correspondence with securities regulators or other regulatory or government agencies which raise material issues regarding the Company's financial reporting or accounting policies.

3. Internal Controls, Risk Management and Compliance

The duties and responsibilities of the Committee as they relate to the internal controls, risk management and compliance are to:

a) evaluate whether management is setting the appropriate "control culture" by communicating the importance of internal control and the management of risk and ensuring that all employees have an understanding of their roles and responsibilities;

b) review the adequacy, appropriateness and effectiveness of the Company's policies and business practices which impact on the integrity, financial and otherwise, of the Company, including those relating to hedging, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

c) receive a report from management on tax issues and planning, including compliance with the Company's source deduction obligations and other remittances under applicable tax or other legislation;

d) receive a report on the annual policy attestation process for, and review exceptions, if any, under the Company's Code of Business Conduct, Anti-Corruption Policy, Disclosure Policy, Whistleblower Policy and Insider Trading Policy;

e) review any issues between management and the external auditors that could affect the financial reporting or internal controls of the Company;

f) periodically review the Company's accounting and auditing policies, practices and procedures and the extent to which recommendations made by the external auditor have been implemented;

g) review annually the adequacy and quality of the Company's financial and accounting staffing, including the need for and scope of internal audit reviews (if any);

h) review annually with the external auditor any significant matters regarding the Company's internal controls and procedures over financial reporting, including any significant deficiencies or material weaknesses in their design or operation, that have come to their attention during the conduct of their annual audit, and review whether internal control recommendations made by the auditor have been implemented by management;

i) be responsible for the Company risk management processes including (a) reviewing the Company's risk register and Enterprise Risk Management Framework; (b) receiving reports from management and other Board committees, including without limitation the Safety and Sustainability Committee, on the identification, assessment and management of risks; and (c) reviewing major risk exposures and the guidelines and policies that management has put in place to govern the process of monitoring, controlling and reporting such exposures;

j) review and recommend for approval by the Board the appointment of the Chief Financial Officer and review the appointment of any other key financial executives involved in the financial reporting process;

k) establish procedures for:

   i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters; and

   ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

   and review any such complaints and concerns received and the investigation and resolution thereof, including without limitation the review of all complaints and concerns of any nature under the Whistleblower Policy;

l) review and approve related party transactions.

4. **External Auditor**

The duties and responsibilities of the Committee as they relate to the external auditor shall be as follows:

a) to consider and make recommendations to the Board, to be put to shareholders for approval at the annual meeting of shareholders, in relation to the appointment, re-appointment or removal of the Company's external auditor;

b) to oversee the selection process for a new auditor if required and if an auditor resigns the Committee shall investigate the issues leading to such resignation and decide whether any action is required;

c) to oversee the relationship with the external auditor, including, without limitation:

   i) to recommend to the Board for approval the engagement of the external auditor for interim reviews and the remuneration for the audit and interim reviews and to assess whether fees for audit or non-audit services are appropriate to enable an adequate audit to be conducted;

ii) to review the terms of engagement for the external auditor and review any engagement letter issued at the start of each audit and the scope of the audit;

iii) to assess annually the independence and objectivity of the external auditor taking into account relevant professional and regulatory requirements and the relationship with the auditor as a whole, including the provision of any non-audit services, which assessment shall include receipt of a report from the external auditor delineating all relationships between the auditor and the Company;

iv) to assess annually the qualifications, expertise and resources of the external auditor and the effectiveness of the audit process which shall include a report from the external auditor on its own internal quality procedures;

v) to satisfy itself that there are no relationships (such as family, employment, investment, financial or business) between the external auditor and the Company (other than in the ordinary course of business);

vi) to review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and any former external auditor of the Company;

vii) to monitor the external auditor's compliance with relevant ethical and professional guidance on the rotation of audit partners, the level of fees paid by the Company compared to the overall fee income of the firm, office and partner and other related requirements; and

d) to review with the external auditor, upon completion of the audit and interim reviews:

i) contents of the report;

ii) scope and quality of the audit work performed;

iii) adequacy of the Company's financial and auditing personnel;

iv) co-operation received from the Company's personnel during the audit;

v) internal resources used;

vi) significant transactions outside of the normal business of the Company;

vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles and management systems;

viii) the quality, acceptability and integrity of the Company's accounting policies and principles;

ix) the non-audit services provided by the external auditor;

x) the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements;

xi) the management letter and management's response to the external auditor's findings and recommendations;

and report to the Board in respect of the foregoing and on such other matters as they consider necessary;

e) to implement structures and procedures to ensure that the Committee meets with the external auditor on a regular basis in the absence of management in order to review any difficulties encountered in carrying out the audit and to resolve disagreements between the external auditor and management; and

f) to pre-approve the retention of the external auditor for any non-audit service and the fee for such service.

The Committee may satisfy the pre-approval requirement in subsection (f) if:

i) the aggregate amount of all the non-audit services that were not pre-approved constitutes no more than five per cent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the services are provided;

ii) the services were not recognized by the Company at the time of the engagement to be non-audit services; and

iii) the services are promptly brought to the attention of the Committee and are approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that the pre-approval of non-audit services by any member to whom authority has been delegated must be presented to the full Committee at its first scheduled meeting following such pre-approval.

For greater certainty, the external auditor shall report directly and be responsible to the Audit Committee.

SILVER STANDARD RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2014

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SILVER STANDARD RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2014

This Management's Discussion and Analysis ("MD&A") is intended to supplement the audited consolidated financial statements of Silver Standard Resources Inc. ("we", "us" or "our") for the year ended December 31, 2014, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

All figures are expressed in U.S. dollars except where otherwise indicated. This MD&A has been prepared as of February 19, 2015, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2014.

Additional information, including our most recent Annual Information Form and Form 40-F is available on SEDAR at www.sedar.com, and on the EDGAR section of the U.S. Securities and Exchange Commission ("SEC") website at www.sec.gov.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained in section 17. We use certain non-GAAP financial measures in this MD&A which are descibed in section 13 "Non-GAAP Financial Measures". We use Mineral Reserves and Mineral Resources classifications in this MD&A, which differ significantly from the classifications required by the SEC as set out in the cautionary note contained in section 17.

1. FOURTH QUARTER AND FULL YEAR 2014 HIGHLIGHTS

- Purchased the Marigold mine for $268 million on April 4, 2014, generated $38.8 million of income from mine operations in the first nine months of ownership.

Lower cost profile

- Reported cash costs of $838 per payable ounce of gold sold at the Marigold mine for the period from April to December 2014, at the low end of our cash costs guidance range. Fourth quarter cash costs of $665 per payable ounce of gold sold due to strong production in the period.
- Reported 2014 cash costs of $12.08 per payable ounce of silver sold at the Pirquitas mine, in line with the lower end of our 2014 cost guidance. Fourth quarter cash costs at Pirquitas totaled $11.76 per payable ounce of silver sold.

Record production

- Produced 129,615 ounces of gold at Marigold from April to December 2014, exceeding our 2014 production guidance which had been previously increased to between 110,000 and 120,000 ounces of gold. Produced 67,113 ounces of gold in the fourth quarter, a quarterly record for the Marigold mine since it commenced production in 1988 and 66% higher than the previous quarter.
- Produced record 8.7 million ounces of silver and 30.0 million pounds of zinc in 2014. Achieved production guidance for the third consecutive year demonstrating consistent delivery to plan.

- $185 million in cash and cash equivalents as at December 31, 2014, an increase of $50 million quarter-on-quarter due to strong production and sales.
- 2014 resource development drilling program at the Marigold mine added higher grade Mineral Resources from the 8 South pit area into the resource base, as reported in our release dated December 12, 2014.

- Adjusted income before tax of $1.1 million in the fourth quarter of 2014. Adjusted loss after tax for the fourth quarter was $6.3 million or $0.08 per share and for 2014 was $24.2 million or $0.30 per share. During the fourth quarter of 2014, non-cash, pre-tax impairment charge and write-downs of $51.5 million related to Pirquitas were recognized, including $11.3 million stockpiles within fourth quarter cost of sales and income from operations. Reported net loss for 2014 was $126.4 million.

2. OUTLOOK

This section of the MD&A provides management's production and cost estimates for2015. Major capital, exploration and development expenditures are also discussed. These are "forward-looking statements" and subject to the cautionary note regarding the risks associated with forward-looking statements contained in section 17.

For the full year 2015, we expect:

Operating Guidance		Pirquitas mine	Marigold mine
Gold Production	oz	—	160,000 - 175,000
Silver Production	Moz	9.0 - 10.0	—
Zinc Production	Mlb	10.0 - 12.0	—
Cash cost per payable ounce sold [(1)]	$/oz	11.50 - 12.50	725 - 800
Capital Expenditures	$M	10	20
Capitalized Stripping Costs	$M	—	25

[(1)] We report the non-GAAP financial measure of cost per payable ounce of silver and gold sold to manage and evaluate operating performance at the Pirquitas mine and the Marigold mine. See "Cautionary Note Regarding Non-GAAP Measures" in section 13.

At the Pirquitas mine, silver production is expected to increase over 2014 as mining progresses through the higher grade portions of the San Miguel Phase 2 open pit with stable cash costs per payable ounce of silver sold. Capital expenditures of $10 million in 2015 consist principally of mine and plant capital spares and initial work on the stage 5 tailings dam.

Our gold production from the Marigold mine is expected to increase due to full year ownership of the asset. Production is expected to be strongest in the first and fourth quarters of 2015 as a strong end to 2014 carries into the first quarter of 2015 and mining progresses into lower areas of the next phase of the Mackay pit later in the year. Capital expenditures of $20 million in 2015 include approximately $7 million for cell 20 leach pad construction, $9 million for maintenance and capitalized spares for mining equipment and $2 million for capitalized exploration drilling.

Exploration expenditures are forecast to remain at a reduced level of $15 million for 2015. Planned expenditures include $4 million on surface and underground drilling proximate to the Pirquitas mine and $3.5 million of resource delineation drilling at Marigold. Property holdings are being maintained in good standing with limited activities expected at Pitarrilla, while expenditures at San Luis will be conditional upon successful community agreements.

3. BUSINESS OVERVIEW

We are a resource company focused on the operation, acquisition, exploration and development of precious metal resource properties located in the Americas. With the acquisition of the Marigold mine in Nevada, U.S., on April 4, 2014, for total cash consideration of $268 million after closing adjustments, we have two producing mines and a portfolio of silver resource dominant projects located throughout the Americas. Our focus is on profitable silver production from the Pirquitas mine in Argentina, and gold production from the Marigold mine in Nevada, U.S. During 2014, the Pirquitas mine continued to operate to plan, and we completed the integration of the Marigold mine into our operations, advanced performance optimization initiatives and filed a National Instrument 43-101 Technical Report (the "NI 43-101 Technical Report") dated November 19, 2014. We also completed selective works to enhance value in our large portfolio of mineral projects and properties, which are at various stages of exploration and development.

The Marigold mine is an open-pit gold mine located in Humboldt County, Nevada, U.S. at the northern end of the Battle Mountain-Eureka trend. Nevada is among the world's most favorable exploration and mining jurisdictions with a stable tax regime, defined permitting process and access to highly qualified labor. The mine has been in continuous production since 1988. Ore is mined by conventional truck and shovel equipment and processed via a large run-of-mine heap leach operation averaging 40,000 tonnes per day.

On October 6, 2014, we released our life of mine plan for Marigold and subsequently filed the NI 43-101 Technical Report. The life of mine plan increased our Mineral Reserves by 2.1 million ounces of gold contained in 129.7 million tonnes at a grade of 0.51 grams per tonne mined over a 13-year operating life. Annual gold production is expected to average 171,500 ounces of gold per year over the next six years, followed by two higher grade years averaging 217,000 ounces of gold per year, for an overall average of 186,700 ounces produced over the nine years of active mining to 2023. Our forward focus is on further refining the Marigold mine plan to optimize activities for the prevailing metal price environment, improving the performance of the new mine fleet and shovel investments to reduce unit mining costs and exploration to add Mineral Resources and Mineral Reserves.

With the acquisition of the Marigold mine, our financial performance is impacted by both silver and gold prices. Silver prices performed negatively in 2014 with the price of silver declining 20% to an average of $19.08 per ounce in 2014 from an average of $23.82 per ounce in 2013. Most of this silver price decline occurred in the fourth quarter of 2014, with prices trading in a range between $15.30 and $17.40 per ounce. Gold prices were reasonably consistent following the acquisition of Marigold, trading within a range of $1,140 and $1,300 per ounce, with an average of $1,257 per ounce. Through 2014, silver underperformed gold, with gold to silver ratios widening from 60:1 to almost 70:1. At the end of 2014, we saw precious metals prices remaining under pressure, with silver prices closing at $15.97 per ounce and gold prices closing at $1,213 per ounce on December 31, 2014.

This downward trend in precious metal prices in the fourth quarter resulted from the increased strength of the U.S. dollar driven by renewed optimism of U.S. economic performance relative to the global economy and expectations of higher U.S. interest rates. In January of 2015, however, weaker than expected Chinese growth forecast, a surprise move by Switzerland to abandon the cap on the value of the Swiss franc against the Euro, declining oil prices and a new program of quantitative easing for the Eurozone all contributed to a rise in precious metal prices with gold rebounding above $1,290 per ounce and silver above $18.00 per ounce. Prices have subsequently retreated but silver remains above year end levels. The continued backdrop of economic uncertainty and global geographical tensions in the Middle East and Ukraine, however, continues to make the commodity price environment extremely volatile.

During the second half of 2014, there was a significant reduction in oil prices from $100.06 at June 30, 2014, to $53.70 per barrel at December 31, 2014, with further declines in early 2015. Diesel is a significant consumable at our operations and the decline in diesel prices is having a positive impact on our cost structure at the Marigold mine. In Argentina, however, diesel prices are regulated by the government so we have not experienced any significant reduction in diesel cost at the Pirquitas mine.

In addition to the global macroeconomic environment, the Pirquitas mine operates within a tightly-controlled regulatory environment in Argentina. Importation of goods and services into Argentina requires pre-approval, which has caused delays in obtaining certain parts and supplies. The Central Bank of Argentina regulates U.S. dollar flows into and out of the country, with Central Bank approval required for all foreign exchange transactions. Argentina continues to experience high inflation with a currency that, generally, depreciates against our reporting currency, the U.S. dollar. During January 2014, the Argentine peso underwent a devaluation of approximately 25% as a result of a government policy change, although subsequently reversed to a more gradual devaluation trajectory and closed on December 31, 2014, at an exchange rate of 8.54 Argentine pesos for 1 U.S. dollar. Even though we recovered $30.7 million of value added tax ("VAT") receivables in 2014, VAT recovery remains a highly regulated, complex and, at times, lengthy collection process. All of these factors directly impact our business in Argentina.

4. RESULTS OF OPERATIONS

Consolidated results of operations

The following table presents consolidated operating information for our Pirquitas and Marigold mines. Additional operating information is provided in the sections relating to the individual mines.

	Three months ended				Total	
Operating data	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	**2014**	2013
Consolidated production and sales:						
Silver produced ('000 oz)	1,918	2,042	2,551	2,222	**8,733**	8,216
Zinc produced ('000 lbs) [1]	8,844	9,319	7,030	4,817	**30,010**	27,037
Silver sold ('000 oz)	1,596	1,926	1,859	2,764	**8,145**	8,693
Zinc sold ('000 lbs) [1]	10,227	5,307	8,062	8,745	**32,341**	23,524
Gold produced (oz)	—	22,060	40,442	67,113	**129,615**	—
Gold sold (oz)	—	21,990	38,245	68,748	**128,983**	—
Silver equivalent production ('000 oz) [2]	1,918	3,467	5,114	6,910	**17,409**	8,216
Realized silver price ($/oz) [3]	20.38	19.89	19.99	17.18	**19.15**	23.77
Realized gold price ($/oz) [3]	—	1,285	1,267	1,200	**1,234**	—
Cash costs ($/oz) - payable silver from Pirquitas mine [3]	12.36	12.18	12.22	11.76	**12.08**	12.87
Cash costs ($/oz) - payable gold from Marigold mine [3]	—	1,103	997	665	**838**	—
Financial data ($000s)						
Revenue	33,736	64,287	79,269	122,830	**300,122**	174,686
Income from mine operations [4]	5,924	11,022	6,258	12,996	**36,200**	5,184

(1) Data for zinc production and sales relate only to zinc in zinc concentrate as any zinc metal within our silver concentrate does not generate revenue.

(2) Silver equivalent ounces have been established using the realized silver and gold prices in the quarter and applied to the recovered metal content of the gold bullion produced by the Marigold mine. We have not included zinc as it is considered a by-product.

(3) We report non-GAAP cost per payable ounce of precious metal sold and realized metal prices to manage and evaluate operating performance at our mines. For a better understanding and a reconciliation of these measures to cost of sales, as shown in our consolidated statements of comprehensive income, please refer to “Non-GAAP Financial Measures” in section 13 of this MD&A.

(4) Income from mine operations for the quarter ended December 31, 2014, and the year ended December 31, 2013, includes $11.3 million and $12.2 million, respectively, of write-down of stockpile inventory to its net realizable value ("NRV").

Pirquitas Mine, Argentina

	Three months ended				**Total**	Total
Operating data	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	**2014**	2013
Total material mined (kt)	4,208	4,052	4,315	3,816	**16,391**	17,423
Waste removed (kt)	3,840	3,550	3,831	3,168	**14,389**	15,958
Strip ratio	10.4	7.1	7.9	4.9	**7.2**	10.9
Silver mined grade (g/t)	163	167	160	150	**159**	186
Zinc mined grade (%)	1.94	2.07	1.36	0.97	**1.52**	2.28
Mining costs ($/t mined)	2.40	2.80	2.93	3.18	**2.94**	2.88
Ore milled (kt)	406	402	407	372	**1,587**	1,575
Silver mill feed grade (g/t)	204	213	248	222	**221**	217
Zinc mill feed grade (%)	2.02	2.19	1.79	1.12	**1.79**	1.63
Processing cost ($/t milled)	20.09	21.13	23.30	22.46	**21.73**	24.72
Silver recovery (%)	72.1	74.3	78.7	83.8	**77.3**	74.9
Zinc recovery (%) [1]	48.9	48.0	43.8	52.6	**47.9**	48.0
Silver produced ('000 oz)	1,918	2,042	2,551	2,222	**8,733**	8,216
Zinc Produced ('000 lbs) [1]	8,844	9,319	7,030	4,817	**30,010**	27,037
Silver sold ('000 oz)	1,596	1,926	1,859	2,764	**8,145**	8,693
Zinc Sold ('000 lbs) [1]	10,227	5,307	8,062	8,745	**32,341**	23,524
Realized silver price ($/oz) [2]	20.38	19.89	19.99	17.18	**19.15**	23.77
Cash costs ($/oz) [2]	12.36	12.18	12.22	11.76	**12.08**	12.87
Total costs ($/oz) [2]	17.42	16.34	17.11	17.40	**17.08**	19.68
Financial Data ($000s)						
Revenue	33,736	36,261	30,874	40,322	**141,193**	174,686
Income (loss) from mine operations [3]	5,924	7,758	(308)	(16,010)	**(2,636)**	5,184
Capital investments	2,514	3,200	2,376	2,033	**10,123**	28,102
Capitalized deferred stripping	5,580	3,156	4,435	—	**13,171**	8,817
Exploration expenditures	140	1,125	173	1,284	**2,722**	2,205

[1] Data for zinc production and sales relate only to zinc in zinc concentrate as any zinc metal within our silver concentrate does not generate revenue.

[2] We report the non-GAAP financial measure of cost per payable ounce of silver sold and realized silver prices to manage and evaluate operating performance at the Pirquitas mine. For a better understanding and a reconciliation of these measures to cost of sales, as shown in our consolidated statements of comprehensive income, please refer to “Non-GAAP Financial Measures” in section 13.

[3] Income (loss) from mine operations for the quarter ended and year ended December 31, 2014, and the year ended December 31, 2013, includes $11.3 million and $12.2 million, respectively, of write-down of stockpile inventory to its NRV.

Mine production

The Pirquitas mine produced 2.2 million ounces of silver during the fourth quarter of 2014, lower than the 2.6 million ounces produced in the third quarter of 2014 due to lower ore milled and mill feed silver grades, which were partially offset by improved recoveries. Mill feed in the fourth quarter was solely from ore mined from the open pit in the period while third quarter silver production benefited from higher grade stockpiled material. In the fourth quarter of 2014, zinc production declined as planned to 4.8 million pounds of zinc in zinc concentrate.

Ore was milled at an average rate of 4,045 tonnes per day in the fourth quarter. The average silver grade of ore milled was 222 g/t, slightly lower than the 248 g/t reported in the third quarter which benefited from previously mined higher grade stockpiled material. The average recovery rate for silver in the fourth quarter increased to 83.8% from 78.7% in the previous quarter as the mill processed fresh sulphide feed from the open pit and process control improvements

positively impacted plant operating performance. Zinc recovery to zinc concentrate was 53%, representing a 21% improvement over the previous quarter, achieved despite a drop in zinc head grade.

During 2014, the mine produced a record 8.7 million ounces of silver, higher than the 8.2 million ounces produced in 2013 primarily due to higher silver recovery in 2014.

In 2014, Pirquitas also produced 30.0 million pounds of zinc in zinc concentrate, a record for the mine, reflecting higher zinc grades as we mined more of the zinc-rich Potosi area of the San Miguel open pit, combined with improved recoveries.

Mine operating costs

We further advanced our continuous improvement initiatives at the Pirquitas mine after completing a cost restructuring program at the operation through late 2013.

Cash costs, which include cost of inventory, treatment and refining costs, and by-product credits, were $11.76 per payable ounce of silver sold in the fourth quarter of 2014 compared to $12.22 per payable ounce of silver sold in the third quarter of 2014. Cost of inventory remained similar to the third quarter of 2014 due to higher total spend required to achieve the higher production levels, in part caused by longer hauls, higher fuel consumption and higher mobile maintenance costs.

Cash costs per payable ounce of silver sold in 2014 decreased to $12.08 from $12.87 in 2013 per payable ounce of silver sold, mainly due to higher by-product credits in 2014 than in 2013.

Total costs, which add silver export duties, depreciation, depletion and amortization to cash costs, were $17.40 per payable ounce of silver sold in the fourth quarter of 2014, slightly above $17.11 per payable ounce of silver sold in the third quarter of 2014 following a reduction in estimated mine life. Depletion, depreciation and amortization was higher on a per ounce sold basis in the fourth quarter of 2014 compared to the third quarter of 2014, whereas the silver export duties were slightly lower than in the previous quarter due to timing of shipments.

Total costs per payable ounce of silver sold in 2014 decreased to $17.08 from $19.68 in 2013 mainly due to asset impairment recorded in the second quarter of 2013 which reduced depreciation being charged.

The Pirquitas mine remains focused on costs and driving further operational efficiencies that will sustain cash flows in a lower silver price environment.

Cash costs and total costs per payable ounce of silver sold are non-GAAP financial measures. Please see the discussion under "Non-GAAP Financial Measures" in section 13.

Mine sales

We sold 8.1 million ounces of silver in 2014, compared to 8.7 million ounces in 2013. Sales were lower than in 2013 due to timing of shipments and contractual revenue recognition points. In 2014, we shipped material containing 8.6 million ounces of silver, which met planned inventory levels at site. We also sold 32.3 million pounds of zinc in 2014, well in excess of the 23.5 million pounds sold in 2013, due to the increase in zinc production in 2014.

Silver sales totaled 2.8 million ounces for the quarter, a 49% increase from the third quarter, as higher scheduled shipments reduced inventory levels.

Exploration at Pirquitas

At Pirquitas, we are focused on near-mine exploration to identify additional Mineral Resources to extend the life of current operations. In support of these activities, we secured access to explore an extensive adjacent property, which increased our land position by 4,417 hectares. We have commenced a field exploration program, which has to date

defined several prospective areas with drill targets, located within a three kilometre radius of the active open pit. These targets hold potential for silver-zinc mineralization in open pit and underground configurations.

Initial drill testing on these areas was performed in the fourth quarter of 2014 and we completed 3,117 metres of surface reconnaissance core drilling in 17 drill holes on prospects proximal to our current open pit operations. Results to date from this surface drilling show that two targets outside the San Miguel pit area warrant further assessment as they yielded anomalous silver results. Closer to the San Miguel pit, the Medano target yielded an intersected length of eight metres at a grade of 198 g/t of silver, which will be assessed further from underground.

Resource upgrade drilling also commenced in the San Miguel zone, on the Chocaya and Oploca vein sets, underlying the existing open pit workings. By the end of 2014, we completed five drill holes from existing underground workings, for a total of 1,717 metres. We have intersected multiple sub-parallel vein systems, with grades and mineralized widths in the main veins in line with expectations. Drilling continues and a detailed geotechnical assessment is underway. We are evaluating the option to extend the original drilling program from the planned 4,700 metres. Studies have also commenced to assess the potential for underground, high-grade mill feed from these vein systems and will continue through the first half of 2015.

Export duties

We entered into a fiscal stability agreement (the “Fiscal Agreement”) with the Federal Government of Argentina in 1998 for production from the Pirquitas mine. In December 2007, the National Customs Authority of Argentina (Dirección Nacional de Aduanas) levied an export duty of approximately 10% from concentrates for projects with fiscal stability agreements pre-dating 2002 and the Federal Government has asserted that the Pirquitas mine is subject to this duty. We have challenged the legality of the export duty applied to silver concentrates and the matter is currently under review by the Federal Court (Jujuy) in Argentina.

The Federal Court (Jujuy) granted an injunction in our favor effective September 29, 2010 that prohibited the Federal Government from withholding the 10% export duty on silver concentrates (the “Injunction”), pending the decision of the courts with respect to our challenge of the legality of the application of the export duty. The Injunction was appealed by the Federal Government but upheld by each of the Federal Court of Appeal (Salta) on December 5, 2012 and the Federal Supreme Court of Argentina on September 17, 2013. The Federal Government also appealed the refund we claimed for the export duties paid before the Injunction, as well as matters of procedure related to the uncertainty of the amount reclaimed; however, on May 3, 2013, such appeal was dismissed by the Federal Court of Appeal (Salta). In September 2014, the Federal Tax Authority in Argentina filed an application with the Federal Court (Jujuy) to lift the Injunction and requiring payment of the export duty and payment of applied interest charges. We filed a response to such application on October 14, 2014 and a decision is pending.

As of December 31, 2014, we have paid $6.6 million in export duties, for which we have filed for recovery. In accordance with the Injunction, we have not been paying export duties on silver concentrates but continue to accrue export duties. At December 31, 2014, we have accrued a liability totaling $56.1 million (December 31, 2013 - $48.2 million), for export duties with no accrual for interest charges, and have recorded a corresponding increase in cost of sales in the relevant period. The application of interest charges is uncertain, but if applied from the date each duty was levied, and based on current U.S. dollar rates, is estimated to be in the range of $4 million to $6.5 million. The final amount of export duties and interest, if any, to be paid or refunded depends on a number of factors including the outcome of litigation. Changes in our assessment of this matter could result in material adjustments to our consolidated statement of loss.

Marigold mine, U.S.

	Three months ended			Total
Operating data	June 30, 2014	September 30, 2014	December 31, 2014	**2014** [1]
Total material mined (kt)	18,338	18,832	18,426	**55,596**
Waste removed (kt)	15,986	13,821	14,587	**44,394**
Strip ratio	6.8	2.8	3.8	**4.0**
Mining cost ($/t mined)	1.70	1.61	1.62	**1.64**
Total ore stacked (kt)	2,352	5,011	3,839	**11,202**
Gold stacked grade (g/t)	0.34	0.53	0.84	**0.60**
Processing cost ($/t processed)	1.59	0.86	1.06	**1.08**
Gold recovery (%)	73.0	73.0	73.0	**73.0**
Gold produced (oz)	22,060	40,442	67,113	**129,615**
Gold sold (oz)	21,990	38,245	68,748	**128,983**
Realized gold price ($/oz) [2]	1,285	1,267	1,200	**1,234**
Cash costs ($/oz) [2]	1,103	997	665	**838**
Total costs ($/oz) [2]	1,135	1,095	778	**933**
Financial data ($000s)				
Revenue	28,026	48,395	82,508	**158,929**
Income from mine operations	3,264	6,566	29,006	**38,836**
Capital investments	2,296	4,486	4,375	**11,157**
Capitalized deferred stripping	7,611	2,144	19,127	**28,882**
Exploration expenditures [3]	458	796	3,224	**4,478**

(1) Data presented in this table is for the period April 1 to December 31, 2014, the period for which we were entitled to all economic benefits of the Marigold mine under the purchase and sale agreement dated February 3, 2014 entered into with subsidiaries of Goldcorp Inc. and Barrick Gold Corporation (the "Purchase and Sale Agreement").

(2) We report the non-GAAP financial measure of cost per payable ounce of gold sold and realized gold prices to manage and evaluate operating performance at the Marigold mine. For a better understanding and a reconciliation of these measures to cost of sales, as shown in our consolidated statements of comprehensive income, please refer to "Non-GAAP Financial Measures" in section 13 of this MD&A.

(3) Includes capitalized and expensed exploration expenditures.

Mine production

We produced 67,113 gold ounces in the fourth quarter of 2014, 66% higher than the third quarter production of 40,442 ounces. As planned, mined material through late third quarter and in the fourth quarter was primarily from the higher grade lower benches of the Mackay Phase 1 pit, leading to increased ounces stacked on the leach pads through this period.

A total of 18.4 million tonnes of material were mined in the fourth quarter of 2014, compared to 18.8 million tonnes mined in the third quarter. Approximately 3.8 million tonnes of ore were delivered to the heap leach pads at a gold grade of 0.84 g/t, which represents approximately 75,600 recoverable ounces of gold stacked during the quarter. This compares to 5.0 million tonnes of ore delivered to the heap leach pads at a grade of 0.53 g/t in the third quarter of 2014, representing approximately 62,500 recoverable ounces of gold. Grade mined in the fourth quarter was 59% higher than the third quarter. Stripping of the next phase of the Mackay pit commenced in the fourth quarter, leading to an expected increase in the strip ratio in the quarter.

Gold production for the nine months ending December 31, 2014, totaled 129,615 ounces. This was above plan due to a strong fourth quarter performance as the lower benches of Mackay Phase 1 pit delivered more ore at higher grade than expected.

During the period from acquisition to the end of 2014, the mine moved 55.6 million tonnes of material, of which 11.2 million tonnes of ore were delivered to the leach pads at a gold grade of 0.60 g/t. The average strip ratio was 4.0 over this period.

Mine operating costs

Cash costs, which include all costs of inventory, refining costs and royalties, were $665 per payable ounce of gold sold in the fourth quarter of 2014, compared to $997 per payable ounce of gold sold in the third quarter of 2014, the reduction resulting from a higher number of ounces produced in the period. Cash costs declined as expected during the period from acquisition to December 31, 2014, due to the planned production profile and were $838 per payable ounce of gold sold for the period, at the lower end of our guidance range.

Total costs, which include depreciation, depletion and amortization, were $778 per payable ounce of gold sold in the fourth quarter of 2014, compared to $1,095 per payable ounce of gold sold in the third quarter of 2014.

Cash costs since acquisition were impacted by the fair value attributed to the acquired leach pad inventory as part of the purchase price allocation required under IFRS. The entire value attributed to leach pad inventory was considered as a cash component with no allocation to previously incurred depreciation.

In the period from acquisition to December 31, 2014, total costs were $933 per payable ounce of gold sold with site operating costs at similar levels as the third quarter of 2014. Depreciation, depletion and amortization was higher in the third quarter as the initial inventory acquired did not include any depreciation. As a result, this non-cash component increased over the prior quarter, however, by the year end it was at normalized levels as depreciation was charged to inventory.

Cash costs and total costs per payable ounce of gold sold are non-GAAP financial measures. Please see the discussion under "Non-GAAP Financial Measures" in section 13.

Mine sales

A total of 68,748 ounces of gold was sold at an average price of $1,200 per ounce during the fourth quarter of 2014, an increase of 80% from the 38,245 ounces of gold sold at an average price of $1,267 per ounce during the third quarter of 2014. The increase in sales was a function of increased gold production. In the period from acquisition to December 31, 2014, a total of 128,983 ounces of gold was sold at an average price of $1,234 per ounce.

Exploration

By the end of 2014, under our exploration drill program at Marigold, we had completed a total of 21,653 metres in 116 reverse circulation drill holes on gold oxide targets in the Mackay, Hercules, 5 North and 8 South areas. A total of 81% of those drill holes reported mineralized intercepts above our Mineral Resource cut-off criteria. Positive drill results added higher grade Mineral Resources to the 8 South pit area as reported in our release dated December 12, 2014. These Mineral Resources have been included in our updated Mineral Resources estimate as at December 31, 2014.

We have continued exploration in the 8 South area into 2015 and continue to see positive results from this higher-grade mineralized area. A recently completed drill hole MR-6034 intersected a down-hole interval of 91.4 metres grading at 2.4 g/t gold from a starting depth of 140 metres, including a higher grade interval of 36.5 metres grading at 5.8 g/t gold. This hole was drilled within the Mineral Resource announced on December 12, 2014, and reported as at December 31, 2014, and will positively impact the grade of estimated blocks proximal to the hole.

The deep sulphide exploration project seeks to evaluate the potential for a high-grade underground mineral deposit at Marigold. In the fourth quarter of 2014, we completed one core drill hole to 1,235 metres depth and two more were in progress at December 31, 2014, for a total of 2,829 metres drilled. Drill results have confirmed the existence of permissive rock units underlying the oxide-ore bearing Valmy formation currently being mined. Geological and structural assessment will continue through next year, with three further deep core drill holes planned for 2015.

5. REVIEW OF PROJECTS

Pitarrilla, Mexico

Towards the end of 2013, the Mexican government enacted significant changes to the mining tax and royalty regime which had a significant impact on this project. On February 14, 2014, we were advised that SEMARNAT did not approve the EIA for the Pitarrilla open pit mine, primarily because sufficient water rights could not be secured. Our ability to secure water rights is currently limited due to a temporary moratorium on subterranean water exploitation imposed in April 2013 in connection with uncontrolled and over exploited aquifers located throughout Mexico. As a result of these changes, we have limited project activities at Pitarrilla. In light of the foregoing, we have reclassified the Mineral Reserves at Pitarrilla project to Mineral Resources.

Expenditures at the Pitarrilla project during 2014 were $3.9 million, compared to $9.5 million in 2013. Project activities during 2014 were limited to surface rights acquisition, review of alternative development options and brownfields exploration activities on our land holdings adjacent to the Pitarrilla project.

The project remains an important development asset in our portfolio with significant Mineral Resources of silver, lead and zinc. We will continue to meet our community and other commitments.

San Luis, Peru

The San Luis project comprises a 35,000 hectare area which includes several vein systems across an area of land whose surface rights are held by two separate communities, Ecash and Cochabamba. A feasibility study was completed on the Ayelén vein and the EIA was approved in 2012. The execution of the mining project requires land access negotiations to be completed with both communities.

In the fourth quarter of 2014 we experienced continued delay in a continuing dialogue with Ecash community. Furthermore, discussions with the Cochabamba community concerning access for exploration activities, prompted us to deliver notice on our land access agreements with the Cochabamba community. We are pursuing revised agreements with Cochabamba that provide for a balanced and sustainable relationship between the parties. We continue to seek re-engagement opportunities with the Ecash community. Community elections for both the Ecash and Cochabamba community official representatives were held recently, and this provides an opportunity to re-open meaningful discussions going into the first half of 2015.

Expenditures at our wholly-owned San Luis project during 2014 amounted to $5.5 million compared to $6.4 million in 2013. San Luis remains a high value development asset in our portfolio and we continue to pursue community agreements to enable the project to advance.

6. SUMMARIZED ANNUAL FINANCIAL RESULTS

The following table sets out selected annual financial results, expressed in thousands of U.S. dollars, except per share amounts:

	Years ended December 31		
	2014	2013 (Restated) [1]	2012 (Restated) [1]
Revenue	**300,122**	174,686	241,120
Income from mine operations	**36,200**	5,184	58,105
Impairment charges	**(40,250)**	(202,440)	—
Operating income (loss)	**(52,497)**	(244,154)	21,741
Gain on sale of mineral properties	**15,913**	67,821	—
Net income (loss) attributable to shareholders	**(126,393)**	(230,016)	32,405
Basic earnings (loss) per share	**(1.57)**	(2.85)	0.40
Diluted earnings (loss) per share	**(1.57)**	(2.85)	0.40
Cash dividends per share	**—**	—	—

	As at December 31		
	2014	2013 (Restated) [1]	2012 (Restated) [1]
Cash and cash equivalents	**184,643**	415,657	366,947
Total assets	**986,249**	1,032,735	1,167,731
Non-current financial liabilities	**197,134**	187,130	—

[1] 2012 restated for adoption of IFRIC 20 and in 2012 and 2013 restated for change in exploration and evaluation expenditure accounting policy, as discussed in section 14.

Review of Annual Financial Results

The financial results for the year ended December 31, 2014, include the results of operations of the Marigold mine for the period from April 1 to December 31, 2014, the period for which we were entitled to all economic benefits under the Purchase and Sale Agreement.

Net loss for the year ended December 31, 2014 was $126.4 million ($1.57 per share) compared to a net loss of $230.0 million ($2.85 per share) in the year ended December 31, 2013. The losses in 2014 and 2013 were both materially impacted by the non-cash asset impairment charges and write downs following significant declines in silver prices in both years. In 2014, we recognized impairment charges of $51.7 million and in 2013 we had impairments of $225.7 million, whereas none were recorded in 2012. In 2014, we recognized an impairment charge of $40.3 million against the Pirquitas mine and wrote off $11.3 million of low grade stockpiles. In 2013, the write-down of the Pirquitas mine was $213.5 million and the inventory write-down was $12.2 million. In 2014, the net loss was also impacted by $12.0 million of deferred tax relating to foreign withholding taxes. The following is a summary and discussion of other significant components of income and expenses recorded during 2014 compared to 2013.

In 2014, we recognized revenues of $300.1 million, compared to $174.7 million in 2013, with the main reason for the increase being the acquisition of the Marigold mine in April 2014 which contributed revenues of $158.9 million.

- At Pirquitas we recognized revenues of $141.2 million in 2014, a reduction of $33.5 million from the $174.7 million recognized in 2013. The decline in revenue was due to both a reduction of silver sold (8.1 million ounces were sold in 2014 compared to 8.7 million ounces in 2013) and realized prices whereby we realized an average silver price of $19.15 per ounce in 2014, excluding the impact of period-end price adjustments,

compared to $23.77 per ounce in 2013. These two negative variances were offset to some extent by the sale of 32.3 million pounds of zinc in 2014 compared to 23.5 million pounds in 2013 at similar prices. Sales of our silver and zinc concentrates were also impacted by period-end price adjustments for unsettled ounces which had a negative impact of $2.8 million in 2014, similar to the negative impact of $2.4 million in 2013.

- At Marigold, we sold 128,983 ounces of gold at an average price of $1,234 per ounce, generating a total revenue of $158.9 million.

Cost of sales for the year ended December 31, 2014, was $263.9 million, compared to $169.5 million in 2013, mainly due to the acquisition of Marigold which accounted for $120.1 million of cost of sales.

- At Pirquitas for the year ended December 31, 2014 cost of sales was $143.8 million compared to $169.5 million in 2013, with a resulting loss from mine operations of $2.6 million, compared to an income from mine operations of $5.2 million in 2013. Both periods were negatively impacted by non-cash write-downs of stockpile inventories amounting to $11.3 million and $12.2 million in 2014 and 2013, respectively. Gross margin was negative of 1.8% in 2014, compared to a positive margin of 3.1% in 2013, the reduction mainly due to the decrease in average realized silver price per ounce sold.

- At Marigold cost of sales for the period since acquisition was $120.1 million, generating income from mine operations of $38.8 million and a gross margin of 32%.

General and administrative expenses for the year ended December 31, 2014 of $21.9 million were lower than the $23.4 million recorded in 2013. Salaries, benefits and consulting costs incurred in 2014 were $4.6 million lower than 2013 due to one off restructuring costs incurred in 2013. This reduction was somewhat offset by higher share-based payment expenses in 2014.

Expensed exploration and evaluation expenses were $21.2 million for 2014 compared to $23.5 million in 2013. These relate primarily to the drill programs at the San Luis project and preparation of the new life of mine plan, and property holding costs at other locations.

We incurred business acquisition costs of $5.4 million in the year ended December 31, 2014, relating to the acquisition of the Marigold mine. No costs of this nature were incurred in the comparative period in 2013.

During the 2013, we recorded a gain on derecognition of our investment in associate, Pretium Resources Inc. ("Pretium"), of $22.0 million. This gain arose as a result of the change in accounting treatment for this investment from equity accounting to an available-for-sale financial ("AFS") asset, which occurred during the second quarter of 2013. We also recorded a dilution gain totaling $2.1 million from our investment in Pretium in 2013 prior to derecognizing it as an asset. These non-cash gains resulted from Pretium completing several private placements in respect of which we did not participate. Now that we recognize the investment as an AFS asset, we recognize all changes in fair value of the share price within other comprehensive income.

During 2014, we completed the sale of the Challacollo project located in Chile, generating a pre-tax gain on sale of $15.9 million. On December 30, 2013, we completed the sale of our San Agustin project located in Mexico to Argonaut. The gain recorded in 2013 on the sale of this mineral property was $67.8 million (restated) before tax expense of $16.3 million. As partial consideration of the sale of the San Agustin project, we received 5.1 million common shares of Argonaut Gold Inc. ("Argonaut"). We sold 3.6 million shares of Argonaut under a hedging arrangement for pre-tax proceeds of $16.8 million, realizing a derivative gain of $2.8 million. The underlying value of the unhedged shares declined by $4.5 million, which was recorded in the consolidated statement of loss.

During 2014, we recorded $26.4 million of interest expense and other financing costs compared to $23.1 million in 2013.

At December 31, 2014 we held marketable securities with a value of $104.8 million compared to $129.3 million at December 31, 2013. Transactions completed in the year and fair value movements had the following impact on the consolidated statement of income and the consolidated statement of other comprehensive income:

- Income statement - During the twelve months ended December 31, 2014, we recognized realized and unrealized losses of $11.4 million compared to $13.1 million in 2013. Realized losses in 2014 were $5.2 million following the sale of securities, while we also recorded unrealized losses of $6.2 million on securities designated at fair value through profit and loss ("FVTPL"). An unrealized loss of $13.0 million in 2013 was due to impairment charges on securities designated as AFS.

- Other comprehensive income - During the twelve months ended December 31, 2014, we recognized an unrealized gain of $11.8 million on marketable securities compared to a loss of $54.1 million in 2013, due to fair value movements in securities designated as AFS.

We recorded foreign exchange losses for year ended December 31, 2014 of $25.2 million compared to losses of $31.9 million in 2013. Our main foreign exchange exposures are related to net monetary assets denominated in Argentine pesos, and Canadian and Australian dollars. The Argentine peso significantly weakened in January 2014 against the U.S. dollar with slow and gradual devaluation thereafter, but over the remainder of the year the devaluation was very similar to that in 2013. During 2013, the foreign exchange loss was higher because the magnitude of our Argentine peso balances was greater than in 2014. In addition, a weakening of the Canadian dollar and the Australian dollar relative to the U.S. dollar generated losses in 2014 whereas such currencies remained relatively stable in 2013.

For the year ended December 31, 2014, we recorded an income tax expense of $30.6 million compared to an income tax expense of $11.3 million in 2013. In 2014 the income tax expense includes a derecognition of deferred tax assets arising from foreign tax credits related to prior year interest withholding tax paid on interest earned from the Pirquitas operation in Argentina and current year interest withholding tax paid ($17.3 million), US AMT and Nevada Net Proceeds of Mines tax liability from the Marigold operation and movement in deferred tax attributes from the Marigold operations. The continued devaluation of the Argentine peso against the U.S. dollar and tax incurred on the sale of the Challacollo property in Chile also impacted the tax expense. Offsets to income tax expense items include deferred recovery relating to mark-to-market value changes on marketable securities and losses generated through corporate general and administrative expenses.

In 2013, the income tax expense is the result of Pirquitas operations, the continued devaluation of the Argentine peso against the U.S. dollar, the taxable sale of the San Agustin project in Mexico, the reversal of deferred tax assets at the time of the write-down of the Pirquitas mine in the second quarter of 2013 and the establishment of a deferred income tax liability due to the introduction of the Mexican mining royalty of 7.5% in December 2013. Offsets to the income tax expense items include losses generated through corporate general and administrative expenses, refunds of income taxes from past years and foreign exchange.

Realized silver and gold price is a non-GAAP financial measure. Please, see the discussion under "Non-GAAP Financial Measures" in section 13.

7. QUARTERLY FINANCIAL REVIEW

The following table sets out selected financial results for each of the eight most recently completed quarters, expressed in thousands of U.S. dollars, except per share amounts:

		2014			2013			
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
		(restated)[1]	(restated)[1]	(restated)[1]	(restated)[1]	(restated)[1]	(restated)[1]	(restated)[1]
	$000s	$000s	$000s	$000s	$000s	$000s	$000s	$000s
Revenue	**122,830**	79,269	64,287	33,736	49,026	43,944	32,654	49,062
Income (loss) from mine operations	**12,996**	6,258	11,022	5,924	3,985	5,732	(18,971)	14,438
Net income (loss) before tax	**(56,789)**	(17,600)	(10,056)	(11,370)	45,652	(18,470)	(236,372)	(9,505)
Net income (loss) after tax	**(86,222)**	(17,576)	(10,156)	(12,439)	36,212	(18,980)	(237,632)	(9,616)
Basic earnings (loss) per share	**(1.07)**	(0.21)	(0.13)	(0.15)	0.57	(0.24)	(2.94)	(0.13)
Diluted earnings (loss) per share	**(1.07)**	(0.21)	(0.13)	(0.15)	0.57	(0.24)	(2.94)	(0.13)
Cash and cash equivalents	**184,643**	135,174	102,162	396,413	415,657	401,384	435,805	461,846
Total assets	**986,249**	1,036,624	1,098,898	1,019,711	1,032,735	1,010,159	1,020,730	1,271,809
Working capital	**368,948**	363,420	427,544	586,979	577,345	608,165	630,414	588,178
Non-current financial liabilities	**197,134**	194,570	192,050	189,580	187,130	184,791	182,486	180,224

[1] Restated for the change in the exploration and evaluation costs accounting policy as discussed in section 14.

In the second, third and fourth quarters of 2014, revenue includes $28.0 million, $48.4 million and $82.5 million, respectively, of revenue generated by the Marigold mine. Otherwise, the volatility in revenue over the past eight quarters has resulted from fluctuations in commodity prices, sales volumes, and certain operational and regulatory circumstances. Except for the effect of the rainy season at the Pirquitas mine on production in the first quarter of each year, there are no significant seasonal fluctuations in the results for the presented periods. Following a significant decrease in the second half of 2013, the average realized silver price per ounce was fairly consistent in the first three quarters of 2014. Silver prices decreased again in the fourth quarter of 2014. Income (loss) from mine operations in the second quarter of 2013 and in the fourth quarter of 2014 was affected by the non-cash write-down of low grade stockpile inventories to their NRV. Excluding the effect of this inventory write-down, income from mine operations followed a similar trend to revenue over the two year period presented, except for the fourth quarter of 2014, when income from Marigold had a very positive impact.

Net income (loss) before tax has fluctuated significantly over the past eight quarters, heavily influenced by significant transactions and commodity prices. In the second, third and fourth quarters of 2014, net income includes $2.6 million, $5.3 million and $20.0 million, respectively, from the Marigold mine operations. In the fourth quarter of 2014, we recorded impairment charges of $51.6 million against the carrying value of the Pirquitas mine, including a write-down of stockpile inventory at the mine to its NRV. In the first quarter of 2014, we sold the Challacollo project in Chile, generating a gain before tax of $15.9 million. This gain was offset by a significant foreign exchange loss of $15.9 million from the devaluation of the Argentine peso. In the fourth quarter of 2013, we sold the San Agustin project in Mexico, which generated a gain before tax of $67.8 million, and in the second quarter of 2013, impairment charges of $222.3 million were recorded against the carrying value of the Pirquitas mine, assets held for sale and exploration and evaluation assets.

Three months ended December 31, 2014 compared to the three months ended December 31, 2013

Net loss for the three months ended December 31, 2014 was $86.2 million ($1.07 per share), compared to a net income of $36.2 million (0.57 per share) in the same period of 2013. In the fourth quarter of 2014, we recognized a non-cash impairment charge of $40.3 million against the Pirquitas mine and a non-cash write-down of $11.3 million

of low grade stockpiles. The following is a summary and discussion of the significant components of income and expenses recorded during the current quarter compared to the same period in the prior year.

In the three months ended December 31, 2014, we recognized total revenues of $122.8 million, compared to $49.0 million recognized in the comparative period of 2013. The main reason for the increase is the acquisition of the Marigold mine in April 2014 which contributed $82.5 million of revenues in the fourth quarter.

- At the Pirquitas mine, we recognized revenues of $40.3 million in the fourth quarter, $8.7 million lower than the $49.0 million recognized in the same period in 2013. The decline in revenue was primarily the function of lower silver prices as we actually sold more silver ounces in the fourth quarter of 2014 (2.8 million ounces compared to 2.5 million ounces). Realized silver prices in the fourth quarter of 2014 averaged $17.18 per ounce, excluding the impact of period-end price adjustments, compared to $20.79 per ounce in the same period in 2013. In addition zinc sales of 8.7 million pounds in 2014 were lower than the 14.2 million pounds sold in the fourth quarter of 2013. At December 31, 2014, sales contracts containing 1.9 million ounces of silver were subject to final price settlement over the next four months.

- Revenues in the fourth quarter of 2014 from the Marigold mine were $82.5 million from the sale of 68,748 ounces of gold, realizing an average price of $1,200 per ounce. We did not own the Marigold mine during the comparable quarter in 2013.

Cost of sales for the fourth quarter of 2014 was $109.8 million, compared to $45.0 million in the fourth quarter of 2013, again mainly due to the acquisition of Marigold which comprised $53.5 million in cost of sales.

- In the fourth quarter of 2014, cost of sales from the Pirquitas mine was $56.3 million compared with $45.0 million in the fourth quarter of 2013, resulting in a loss from mine operations of $16.0 million in the fourth quarter of 2014, compared to an income of $4.0 million in the fourth quarter of 2013. The fourth quarter of 2014 was negatively impacted by a non-cash write-down of low grade stockpile inventory of $11.3 million. Excluding the inventory write-down, in 2014 the mine recognized a negative margin of 12% in the fourth quarter, compared to a positive margin of 8.1% in the fourth quarter of 2013. Excluding the inventory write-down, the Pirquitas mine's gross margin was lower than in 2013, which was mainly due to the lower realized silver prices in the period, as well as a higher depreciation charges reflecting a shorter mine life. On a per unit basis, the cost of inventory was similar in the fourth quarter of 2014 to the fourth quarter of 2013.

- At Marigold, cost of sales was $82.5 million generating income from mine operations of $29.1 million, equal to a gross margin of 35%.

General and administrative expenses in the three months ended December 31, 2014 of $5.6 million were slightly higher than the $5.4 million recorded in the three months ended December 31, 2013. This increase is principally due to higher share-based compensation.

Exploration and evaluation costs of $6.3 million for the three months ended December 31, 2014 were lower than the $7.4 million for the three months ended December 31, 2013. The costs were higher in 2013 due to the drill programs at our San Luis project and the Pirquitas mine. In the fourth quarter of 2014, the exploration costs related mainly to work performed at the Marigold mine on a deep underground drill program and completion of the new life of mine plan.

On December 30, 2013, we completed the sale of the San Agustin project located in Mexico, generating a pre-tax gain on sale before tax of $67.8 million (restated). There were no such transactions in the fourth quarter of 2014.

During the fourth quarter of 2014, we recognized an unrealized loss of $3.2 million on previously impaired marketable securities and securities designated at FVTPL, compared to a loss of $2.0 million in the same period of 2013. During the fourth quarter of 2014, we also recognized an unrealized gain of $8.5 million on marketable securities in other

comprehensive income, compared to a loss of $32.8 million in the fourth quarter of 2013, which resulted from the significant decrease in market value of AFS securities in the comparable quarter.

During the fourth quarter of 2014, we recorded interest expense and other financing costs of $7.3 million compared to the $5.1 million recorded in the fourth quarter of 2013. In each period, $4.5 million is attributable to our $265 million of 2.875% convertible senior notes issued in 2013 (the "2013 Notes"). In the fourth quarter of 2014, we also incurred finance expense in the form of a discount on the sale of our VAT credits in Argentina.

We recorded foreign exchange losses for the three months ended December 31, 2014 of $2.8 million compared to losses of $11.0 million in the three months ended December 31, 2013. Our main foreign exchange exposures are related to net monetary assets denominated in Argentine pesos, and Canadian and Australian dollars. During the three months ended December 31, 2014, this loss resulted from the Argentine peso, Canadian dollar and Australian dollar weakening against the U.S. dollar. In the same period of 2013, the Argentine peso devalued at a higher rate against a larger Argentine peso denominated asset base, while the Canadian and Australian dollars were relatively flat compared to the U.S. dollar.

For the three months ended December 31, 2014, we recorded an income tax expense of $29.6 million compared to an income tax expense of $9.4 million in the three months ended December 31, 2013. Current income tax expense of $4.0 million is primarily due to US AMT and Nevada Net Proceeds of Mine Tax liability from the Marigold operations and payments of interest withholding tax in Argentina. At December 31, 2014, we completed a reorganization of the US entity that holds our Pirquitas mine through an Argentine branch. As a result of this reorganisation this US entity will no longer be subject to US income tax. The previously recognised deferred tax asset comprised of a foreign tax credit arising from interest withholding tax paid in Argentina in 2013 has been derecognized ($12 million). The balance of the deferred income tax expense of $13.9 million is made up of movement in Marigold tax attributes, devaluation of the Argentinian Peso and Peruvian Soles against the US currency, deferred recovery items relating to mark-to-market value changes on marketable securities and losses generated through corporate general and administrative expenses.

In the fourth quarter of 2013, the income tax expense was primarily related to the operations of Pirquitas and the establishment of a deferred income tax liability due to the introduction of the Mexican mining royalty of 7.5 % in December 2013. This was partially offset by the recognition of tax benefits from the foreign tax credit paid for Argentina withholding tax on the interest payment made from MPI Argentina to MPI US and foreign exchange losses.

Realized silver and gold price is a non-GAAP financial measure. Please, see the discussion under "Non-GAAP Financial Measures" in section 13.

8. LIQUIDITY

At December 31, 2014, we had $184.6 million of cash and cash equivalents, a decrease of $231.0 million from December 31, 2013. The decrease in cash primarily resulted from the cash payment of $267.7 million for the Marigold mine acquisition, as well as pledging $17.6 million as cash collateral to support certain reclamation obligations and a loan facility in Argentina. These were partially offset by positive operating and financing cash flows totaling $74.6 million in 2014.

We manage our liquidity position with the objectives of ensuring sufficient funds available to meet planned operating requirements and providing support to fund strategic growth initiatives. During 2014, our cash position was materially reduced by the cash acquisition of the Marigold mine. In addition to cash flows from operations, we have supplemented our liquidity position by the strategic divestiture of certain mineral property assets and sales of certain marketable securities. We also arranged a $7.5 million Argentine peso-denominated loan facility in Argentina, of which the equivalent of $5.9 million was drawn as at December 31, 2014.

In the year ended December 31, 2014, we generated $68.8 million of cash flows from operating activities and used $298.7 million in investing activities, including $267.7 million relating to the Marigold mine acquisition. Cash flows from investing activities comprised outflows of $54.9 million on capital expenditures, exploration and development projects, deferred stripping and $16.8 million of taxes paid in relation to the sale of the San Agustin and Challacollo projects. Cash inflows comprised $7.5 million of proceeds from the sale of the Challacollo project, $10.0 million of deferred consideration from the sale of the San Agustin project, $39.2 million in proceeds from the disposal of marketable securities and $1.5 million of interest income. We also incurred foreign exchange losses of $7.1 million, before impacts of interest earned, on our foreign cash balances, primarily in Argentina and Canada.

At December 31, 2014, $172.6 million of our cash and cash equivalents was held in Canada, the United States, Europe and Australia. Approximately $60.0 million is invested in short term investments under our investment policy with maturities of 90 days or less providing us with sufficient liquidity to meet corporate needs. At December 31, 2014, we held $6.4 million cash in Argentina.The government of Argentina's regulation of U.S. dollar inflows and outflows restricts our ability to repatriate cash generated by the Pirquitas mine, however, we repatriate cash from Argentina under a fixed schedule of debt repayments.

At December 31, 2014, our working capital position was $368.9 million, a decrease from $584.1 million at December 31, 2013, principally as a result of the acquisition of the Marigold mine for cash.

Our cash balance at December 31, 2014, along with projected operating cash flows are expected to be sufficient to fund planned exploration, development and corporate activities over the next twelve months from the date of this MD&A. We are continuing our cost reduction strategy to preserve capital throughout the organization and to discharge liabilities as they become due, while implementing various optimization activities at both our mines to improve cash generation.

On January 27, 2015, we received a Notice of Reassessment ("NOR") from the Canada Revenue Agency ("CRA") in the aggregate amount of approximately C$41.4 million plus interest of C$6.6 million related to the tax treatment of the 2010 sale of shares of our subsidiary that owned and operated the Snowfield and Brucejack projects. The CRA has asserted that the sale was on account of income and not capital, as we recorded it. Our management strongly disagrees with the CRA's position in the reassessment and we plan on filing a Notice of Objection and, if necessary, a Notice of Appeal to the Tax Court of Canada. In order to appeal the reassessment, we are required to make a minimum payment of 50% of the reassessed amount claimed by the CRA under the NOR plus interest accrued to the date of the NOR.

The following table summarizes our financial liabilities, operating and capital commitments at December 31, 2014:

	Payments due by period (as at December 31, 2014)					At December 31, 2013
Contractual obligations	Less than one year	1 - 3 years	4-5 years	After 5 years	Total	Total
	$	$	$	$	$	$
Trade and other payables	**55,617**	**—**	**—**	**—**	**55,617**	35,841
Current provisions	**56,058**	**—**	**—**	**—**	**56,058**	48,169
Current debt	**5,922**	**—**	**—**	**—**	**5,922**	—
Convertible notes (i)	**—**	**—**	**265,000**	**—**	**265,000**	265,000
Interest on convertible notes (i)	**7,619**	**22,856**	**11,428**	**—**	**41,903**	49,522
Capital expenditure commitments	**2,596**	**—**	**—**	**—**	**2,596**	6,164
Minimum lease rental and lease payments	**412**	**1,481**	**383**	**—**	**2,276**	2,907
Total contractual obligations	**128,224**	**24,337**	**276,811**	**—**	**429,372**	407,603

(i) The 2013 Notes mature in 2033 but are redeemable in part or in full at the option of the holder on February 1 at each of 2020, 2023, and 2028, or upon fundamental corporate changes. They are also redeemable by us in part or in full on and after February 1, 2018. The notes bear interest of 2.875% per annum and are convertible into common shares upon specified events at a fixed conversion price of approximately $20.00 per common share.

9. CAPITAL RESOURCES

Our capital consists of items included in shareholders' equity and debt, net of cash and cash equivalents as follows:

	December 31	December 31
	2014	2013
	$000s	$000s
Shareholders' equity	**707,034**	707,034
Convertible notes	**197,134**	187,130
	904,168	894,164
Less: cash and cash equivalents	**(184,643)**	(415,657)
	719,525	478,507

At December 31, 2014, there was no externally imposed capital requirement to which we are subject and with which we have not complied.

As at December 31, 2014, we had 80,754,434 common shares outstanding and 2,377,065 stock options outstanding which are exercisable into common shares at exercise prices ranging between C$6.48 and C$28.78.

Outstanding share data

The authorized capital consists of an unlimited number of common shares without par value. As at February 19, 2015, the following common shares and options were outstanding:

	Number of shares	**Exercise price**	**Remaining life**
		C$	**(years)**
Capital stock	80,754,434		
Stock options	3,243,965	5.83 - 28.78	3.9 - 6.9
Fully diluted	83,998,399		

10. FINANCIAL INSTRUMENTS AND RELATED RISKS

We are exposed to a variety of financial risks as a result of our operations, including market risk (which includes price risk, currency risk and interest rate risk), credit risk and liquidity risk. Our overall risk management strategy seeks to reduce potential adverse effects on our financial performance. Risk management is carried out under policies approved by our Board of Directors.

We may, from time to time, use foreign exchange contracts, commodity price contracts, equity hedges and interest rate swaps to manage our exposure to fluctuations in foreign currency, metal and energy prices, marketable security values and interest rates. We do not have a practice of trading derivatives. In the past, our use of derivatives was limited to specific programs to manage fluctuations in foreign exchange risk, which are subject to the oversight of our Board of Directors.

The risks associated with our financial instruments, and the policies on how we mitigate those risks are set out below. This is not intended to be a comprehensive discussion of all risks.

a) Market Risk

This is the risk that the fair values of financial instruments will fluctuate owing to changes in market prices. The significant market risks to which we are exposed are price risk, currency risk and interest rate risk.

(i) Price Risk

This is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market prices. Income from mine operations in the next year depends on the metal prices for gold, silver, and to a lesser extent, zinc. These prices are affected by numerous factors that are outside of our control such as:

- global or regional consumption patterns;
- the supply of, and demand for, these metals;
- speculative activities;
- the availability and costs of metal substitutes;
- inflation; and
- political and economic conditions, including interest rates and currency values.

The principal financial instrument that we hold which are impacted by commodity prices is the embedded derivative within our silver and zinc concentrate trade receivables. The majority of these sales agreements are subject to pricing terms that settle within one to three months after delivery of concentrate, and this adjustment period represents our trade receivable exposure to variations in commodity prices.

We have not hedged the price of gold or silver as part of our overall corporate strategy.

A 10% increase in the average commodity price as at December 31, with all other variables held constant, would have resulted in the following impact to our after-tax net income:

	2014	2013
Products	**$000s**	$000s
10% increase in silver price	**1,958**	1,814
10% increase in zinc price	**275**	272

As we do not have trade receivables for gold sales, movements in gold prices will not impact the value of any financial instruments.

The costs relating to our production activities vary depending on market prices of certain mining consumables including diesel fuel and electricity. A 10% increase in diesel fuel market prices would have resulted in a $1.4 million decrease in our after-tax net income for the year ended December 31, 2014. We have not hedged any commodity prices as at December 31, 2014.

We hold certain investments in marketable securities which are measured at fair value, being the closing price of each equity investment at the balance sheet date. We are exposed to changes in share prices which would result in gains and losses being recognized in total comprehensive income. A 10% change in prices would have a $10.5 million impact on total comprehensive income at December 31, 2014 (December 31, 2013 - $12.9 million). During 2014, we entered into hedging arrangements over certain securities that resulted in derivative gains of $2.8 million. No such arrangements were outstanding as at December 31, 2014.

(ii) Currency Risk

Currency risk is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in foreign currency rates. Our financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as their functional currency; exchange gains and losses in these situations impact earnings.

The following are the most significant areas of exposure to currency risk, shown in thousands of U.S. dollars:

	December 31, 2014			
	Canadian dollar	**Argentine peso**	**Australian dollar**	**Mexican peso**
Cash	13,333	6,383	4,653	1,405
Marketable securities	102,933	—	1,852	—
Value added tax receivable	95	35,259	—	2,367
Trade and other payables (excluding VAT and income taxes)	(8,780)	(17,985)	—	(4)
Current debt	—	(5,922)	—	—
Total	**107,581**	**17,735**	**6,505**	**3,768**

	December 31, 2013			
	Canadian dollar	Argentine peso	Australian dollar	Mexican peso
Cash	7,881	20,751	4,983	8,007
Marketable securities	126,428	—	2,839	—
Value added tax receivable	67	64,816	—	3,412
Trade and other payables (excluding VAT and income taxes)	(7,387)	(13,606)	—	(1,618)
Valued added tax payable	—	—	—	(6,467)
Income taxes payable	—	—	—	(15,885)
Total	126,989	71,961	7,822	(12,551)

We monitor and manage this risk with the objective of ensuring our group-wide exposure to negative fluctuations in currencies against the U.S. dollar is managed. As at December 31, 2014, we have not entered into any derivatives to mitigate this risk.

The Argentine government requires the repatriation of export revenues into Argentina and, where cash flows exceed our current cash repatriation schedule, this results in an increase to our Argentine peso cash balance. In Argentina, the official Argentine peso exchange rate published is significantly lower than the parallel market rate (also referred to as the Blue rate). We use the official Argentine peso exchange rate for all re-measurement purposes which is consistent with the economic reality that foreign currency transactions entered into or paid out of Argentina are required to be converted at the official exchange rate. A sudden devaluation of the Argentine peso to a rate closer to the parallel market rate would materially impact the value of our Argentine peso-denominated cash and VAT receivables in U.S. dollar terms, but would improve our operating costs in U.S. dollar terms, all else being equal. We are actively seeking ways to mitigate the risk on our cash balance of a devaluation of the Argentine peso, and therefore, we are repatriating cash from Argentina under a fixed schedule of debt repayments and have entered into an Argentina peso loan facility.

In early 2014, the Argentine peso saw a significant devaluation, as the government reduced intervention and relaxed capital controls, but since that time the peso has reverted to a steady devaluation against the U.S. dollar. In 2014, the Argentine peso devalued 31% compared to 33% in 2013. The devaluation reduced the value of our Argentine peso-denominated assets, principally cash and VAT receivables, and decreased Argentina peso-denominated liabilities, principally accounts payable, when expressed in U.S. dollar terms.

A 10% increase in the U.S. dollar exchange rate on financial assets and liabilities denominated in the following currencies, with all other variables held constant, would have resulted in the following impact to our total comprehensive income for the years ended December 31, 2014 and December 31, 2013:

	2014	2013
	$000s	$000s
Canadian dollar	(7,988)	(9,422)
Argentine peso	(1,183)	(4,826)
Australian dollar	(456)	(547)
Mexican peso	(265)	873

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises from the interest rate impact on our cash and cash equivalents and Argentine peso-denominated loan facility because these are the only financial instruments we hold that are impacted by interest based on variable market interest rates. The 2013 Notes have fixed interest rates and are not exposed to fluctuations in interest rates; a change in interest rates would impact the fair value of the instruments, but because we record the 2013 Notes at amortized cost there would be no impact on our financial results. We monitor our exposure to interest rates closely and have not entered into any derivative contracts to manage our risk.

As at December 31, 2014, the weighted average interest rate earned on our U.S. dollar cash and cash equivalents was 0.30% (2013 - 0.32%). With other variables unchanged, a 1% change in the annualized interest rate would impact after-tax net income by $1.4 million (2013 - $3.3 million).

b) Credit Risk

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial contract. Our credit risk is limited to the following instruments:

Credit risk related to financial institutions and cash deposits Under our investment policy, investments are made only in highly rated financial institutions, and corporate and government securities. We diversify our holdings and consider the risk of loss associated with investments to be low.

Credit risk related to trade receivables We are exposed to credit risk through our trade receivables on concentrate sales, which are principally with internationally-recognized counterparties. Payments of receivables are scheduled, routine and received within a contractually agreed time frame. We manage this risk by requiring provisional payments of at least 75% of the value of the concentrate shipped and through utilizing multiple counterparties.

Credit risk related to other financial assets All other receivable balances are expected to be collectible in full due to the nature of the counterparties and/or a previous history of collectability. Deferred consideration is also expected to be collectible in full and is also secured against the San Agustin mineral claims and technical information, and the Challacollo mineral claims and shares of the entity holding the Challacollo project.

We also have credit risk through our significant VAT receivable balances that is collectible from the government of Argentina. The balance is expected to be recoverable in full, however due to legislative rules and the complex collection process, a significant portion of the asset is classified as non-current until government approval of the recovery claim is approved.

Our maximum exposure to credit risk as at December 31, 2014 and December 31, 2013 was as follows:

	December 31, 2014	December 31, 2013
	$000s	$000s
Cash and cash equivalents	184,643	415,657
Value added tax receivable	37,527	68,338
Trade and other receivables	30,313	44,510
Other financial assets	41,001	29,847
	293,484	558,352

At December 31, 2014, no amounts were held as collateral except those discussed above in credit risk related to other financial assets.

c) Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our obligations under our financial instruments as they fall due. We manage our liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support our current operations, expansion and development plans, and by managing our capital structure. Our objective is to ensure that there are sufficient committed financial resources to meet our business requirements for a minimum of twelve months.

Argentine government regulation of U.S. dollar inflows and outflows restricts the ability to repatriate cash generated by the Pirquitas mine although we repatriate cash from Argentina under a fixed schedule of debt repayments, which has an impact on overall corporate liquidity.

In order to manage our corporate liquidity, we use surety bonds to support certain environmental bonding obligations. As at December 31, 2014, we had surety bonds totaling $17.8 million (December 31, 2013 - $Nil). In addition, we have $30.1 million of letters of credit supporting environmental obligations which are backed by a mixture of cash and other forms of credit.

A detailed discussion of our liquidity position and the maturity profile of financial liabilities presenting contractual undiscounted cash flows as at December 31, 2014, is included in section 8.

In our opinion, working capital at December 31, 2014 together with future cash flows from operations are sufficient to support our commitments through 2015.

We have no other off balance sheet arrangements, except as discussed above.

11. OTHER RISKS AND UNCERTAINTIES

We are subject to a number of risks and uncertainties, each of which could have an adverse effect on our operating results, business prospects or financial position.

For a comprehensive list of the risks and uncertainties affecting our business, please refer to the section entitled "Risk Factors" in our most recent Annual Information Form, which is available at www.sedar.com, and our most recent Form 40-F, which is available on the EDGAR section of the SEC website at www.sec.gov.

Income tax provisions and income tax filing positions require estimates and interpretations of income tax rules and regulations of the various jurisdictions in which we operate and judgments as to their interpretation and application to our specific situation. Our business and operations of the business and operations of our subsidiaries is complex and we have, over the course of history, undertaken a number of significant financings, acquisitions and other material transactions. The computation of income taxes payable as a result of these transactions involves many complex factors as well as our interpretation of and compliance with relevant tax legislation and regulations. While our management believes that the provision for income tax is appropriate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities who may challenge our interpretation of the applicable tax legislation and regulations.

On January 27, 2015, we received a NOR from the CRA in the amount of approximately C$41.4 millionplus interest of C$6.6 million related to the tax treatment of the 2010 sale of shares of our subsidiary that owned and operated the Snowfield and Brucejack projects. The CRA has asserted that the sale was on account of income and not capital, as we recorded it. Our management strongly disagrees with the CRA’s position in the reassessment and we plan on filing a Notice of Objection and, if necessary, a Notice of Appeal to the Tax Court of Canada. In order to appeal the reassessment, we are required to make a minimum payment of 50% of the reassessed amount claimed by the CRA under the NOR plus interest accrued to the date of the NOR.

Although the outcome of this matter cannot be predicted with certainty, we intend to contest the matter vigorously, and believe we will ultimately prevail based on the merits of our position. At this time, we have not recognized an income tax provision for this amount. However, we will continue to evaluate our tax provisions as the matter progresses through appeals and, if necessary, the litigation process. If the CRA's position is ultimately sustained, it would have a material impact on earnings and financial resources in the period that the matter is ultimately resolved.

12. RELATED PARTY TRANSACTIONS

a) Key management compensation

Key management includes our directors (executive and non-executive) and other key officers, including the CEO, CFO and Senior Vice Presidents. The compensation paid or payable to key management for employee services is shown below:

	2014	2013
	$000s	$000s
Salaries and other short-term employee benefits	**2,880**	2,600
Post-employment benefits	**22**	21
Termination benefits	**—**	1,370
Share-based compensation [(i)]	**2,808**	1,704
Total compensation	**5,710**	5,695

[(i)] Share-based compensation includes mark-to-market adjustments on cumulative Deferred Share Units positions as reported in the consolidated statements of income.

b) Principal Subsidiaries

The consolidated financial statements include our accounts and the account of our wholly-owned subsidiaries, the most significant of which are presented in the following table:

Subsidiary	**Location**	**Ownership**	**Principal project**
Pacific Rim Mining Corporation Argentina S.A.	Argentina	100%	Diablillos
Silver Standard Durango, S.A. de C.V.	Mexico	100%	Pitarrilla
Silver Standard Exploraciones, S.A. de C.V.	Mexico	100%	Veta Colorada
Silver Standard Mexico, S.A. de C.V.	Mexico	100%	Nazas
Reliant Ventures S.A.C.	Peru	100%	San Luis
Sociedad Minera Berenguela S.A.	Peru	100%	Berenguela
Candelaria Mining Company	USA (Delaware)	100%	Candelaria
Marigold Mining Company	USA (Nevada)	100%	Marigold
Maverick Silver Inc.	USA (Nevada)	100% [(1)]	Maverick Springs
Mina Pirquitas, LLC	USA (Delaware)	100%	Pirquitas

[(1)] The Maverick Springs project is held in a joint venture in which we have a 55% interest, representing all of the silver resources hosted in the project.

13. NON-GAAP FINANCIAL MEASURES

The non-GAAP financial measures presented do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be directly comparable to similar measures presented by other issuers. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Non-GAAP financial measures - Cash costs and total costs per payable ounce of silver and gold sold

We use the non-GAAP financial measures of cash costs and total costs per payable ounce of precious metals sold to manage and evaluate operating performance. We believe that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate our performance and ability to generate cash flows. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

The following table provides a reconciliation of our condensed consolidated interim statements of (loss) income to cash costs and total costs for each of the three month periods indicated below:

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	**Total 2014**	Total 2013 (restated) [2]
	$000s	$000s	$000s	$000s	**$000s**	$000s
Pirquitas mine						
Cost of sales (A)	27,812	28,503	31,182	56,332	**143,829**	169,502
Add: Treatment and refining costs	3,148	4,296	3,734	5,132	**16,310**	17,459
Less: By-product revenue	(6,314)	(3,540)	(6,166)	(6,268)	**(22,288)**	(14,368)
Less: Inventory NRV write-down	—	—	—	(11,262)	**(11,262)**	(12,193)
Less: Restructuring costs	—	—	—	—	**—**	(1,468)
Total Costs	24,646	29,259	28,750	43,934	**126,589**	158,932
Less: Depreciation, depletion and amortization	(5,080)	(6,037)	(5,640)	(12,427)	**(29,184)**	(41,808)
Less: Export duties on silver concentrate	(2,080)	(1,418)	(2,581)	(1,810)	**(7,889)**	(13,162)
Cash Costs	17,486	21,804	20,529	29,697	**89,516**	103,962
Marigold mine						
Cost of sales (B)	—	24,762	41,829	53,502	**120,093**	—
Add: Treatment and refining costs	—	37	34	49	**120**	—
Less: By-product revenue	—	(13)	(11)	(15)	**(39)**	—
Total Costs	—	24,786	41,852	53,536	**120,174**	—
Less: Depreciation, depletion and amortization	—	(704)	(3,741)	(7,772)	**(12,217)**	—
Cash Costs	—	24,082	38,111	45,764	**107,957**	—
Cost of sales, per consolidated statement of (loss) income (A+B)	27,812	53,265	73,011	109,834	**263,922**	169,502
Pirquitas mine						
Payable ounces of silver sold (oz)	1,415,114	1,790,117	1,680,502	2,525,166	**7,410,899**	8,075,103
Total Costs per silver ounce ($/oz)	17.42	17.11	17.11	17.40	**17.08**	19.68
Cash Costs per silver ounce ($/oz)	12.36	12.18	12.22	11.76	**12.08**	12.87
Marigold mine						
Payable ounces of gold sold (oz)	—	21,836	38,218	68,801	**128,855**	—
Total Costs per gold ounce ($/oz)	—	1,135	1,095	778	**933**	—
Cash Costs per gold ounce ($/oz)	—	1,103	997	665	**838**	—
Precious metals equivalency						
Total cash costs (for all metals produced)	17,486	45,886	58,640	75,460	**197,472**	103,962
Equivalent payable silver ounces sold [1]	1,415,114	3,200,587	4,102,646	6,998,809	**15,717,156**	8,075,103
Cash Costs per equivalent silver ounces sold ($/oz)	12.36	14.34	14.29	10.78	**12.56**	12.87

[1] Silver equivalent ounces have been established using realized silver and gold prices per ounce in the period and applied to the recovered metal content of the gold sold by the Marigold mine. We have not included zinc as it is considered a by-product.
[2] The quarter ended March 31, 2013 was restated as a result of an erroneous double counting of certain freight and transportation costs.

Non-GAAP financial measures - realized precious metal prices

Average realized price per ounce of silver sold in each reporting period excludes the period end price adjustments and final settlements on concentrate shipments. The price adjustments do not apply to gold bullion sales.

Non-GAAP financial measures - adjusted net income (loss)

We have included the non-GAAP financial performance measures of adjusted net income (loss) and adjusted basic earnings (loss) per share. Adjusted net earnings excludes gains/losses and other costs incurred for acquisitions and disposals of mineral properties, impairment charges, unrealized and realized gains/losses on financial instruments, significant non-cash foreign exchange impacts as well as other significant non-cash, non-recurring items. We exclude these items from net (loss) income to provide a measure which allows investors to evaluate the operating results of the underlying core operations of the Company and our ability to generate liquidity through operating cash flow to fund working capital requirements, future capital expenditures and service outstanding debt. We believe that, in addition to conventional measures prepared in accordance with GAAP, certain investors may use this information to evaluate our performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

We have revised the calculation presented for the year ended December 31, 2013 to include adjustments for certain non-cash and non-recurring items that we consider provides an improved measure to evaluate the operating results of the underlying core operations of the Company.

The following table provides a reconciliation of adjusted net income (loss) to the consolidated financial statements:

	2014	2013
	$000's	$000's
		(restated)[1]
Net loss before tax	**(95,815)**	(218,695)
Adjusted for:		
Gain on sale and write-off of mineral properties	**(15,913)**	(67,821)
Business acquisition and integration costs	**7,916**	—
Associate accounting	**—**	(23,038)
Restructuring costs	**—**	2,928
Non-cash finance income and expense	**12,064**	14,638
Write-down of inventory to NRV	**11,262**	12,193
Write-down of exploration projects	**145**	102
Impairment charges	**40,250**	206,315
Loss on marketable securities	**11,427**	13,003
Non-cash foreign exchange loss	**15,775**	14,852
Other non-recurring items	**(5,409)**	(1,372)
Adjusted loss before tax	**(18,298)**	(46,895)
Income tax expense	**(30,578)**	(11,321)
Foreign tax on sale of mineral properties	**2,035**	16,264
Tax effects of asset impairment charges and write-downs	**257**	3,355
Initial recognition of deferred tax relating to Mexican royalty tax	**—**	7,107
Recognition of Argentine withholding taxes	**17,290**	—
Other non-recurring tax items	**5,111**	(15,896)
Adjusted income tax expense	**(5,885)**	(491)
Adjusted net loss	**(24,183)**	(47,386)
Weighted average shares outstanding (000's)	**80,754**	80,754
Adjusted basic loss per share ($)	**(0.30)**	(0.59)

[1] Restated for the change in the exploration and evaluation costs accounting policy as discussed in section 14.

	Three months ended	
	December 31, 2014	December 31, 2013
	$000's	$000's
		(restated)[1]
Net (loss) income before tax	**(56,789)**	45,652
Adjusted for:		
Gain on sale and write-off of mineral properties	**—**	(67,821)
Business acquisition and integration costs	**1,486**	—
Restructuring costs	**—**	434
Non-cash finance income and expense	**3,167**	3,144
Write-down of inventory to NRV	**11,262**	—
Impairment charges	**40,250**	—
Loss on marketable securities	**3,170**	2,270
Non-cash foreign exchange loss	**1,323**	8,037
Other non-recurring items	**(2,751)**	213
Adjusted income (loss) before tax	**1,118**	(8,071)
Income tax (expense) recovery	**(29,626)**	9,437
		—
Foreign tax on sale of mineral properties	**(243)**	16,264
Tax effects of asset impairment charges and write-downs	**64**	(4,112)
Initial recognition of deferred tax relating to Mexican royalty tax	**—**	7,107
Recognition of Argentine withholding taxes	**17,290**	—
Other non-recurring tax items	**5,090**	(5,192)
Adjusted income tax (expense) recovery	**(7,425)**	23,504
Adjusted net (loss) income	**(6,307)**	15,433
Weighted average shares outstanding (000's)	**80,754**	80,754
Adjusted basic (loss) earnings per share ($)	**(0.08)**	0.19

[1] Restated for the change in the exploration and evaluation costs accounting policy as discussed in section 14.

14. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation and accounting policies

These consolidated financial statements have been prepared in accordance with IFRS as issued by the IASB and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”). The comparative information has also been prepared on this basis, with the exception of certain items, details of which are given below, for which comparative information has been restated. Note 2 of our consolidated financial statements for the year ended December 31, 2014, provides details of the significant accounting policies and accounting policy decisions for significant or potentially significant areas that have had an impact on our financial statements or may have an impact in future periods.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of December 31, 2014, and were approved as of February 19, 2015, the date our Board of Directors approved the financial statements.

(i) Change in accounting policies and restatement of comparatives

We have elected to change our accounting policy with respect to exploration and evaluation expenditures, consistent with IFRS 6, *Exploration for and Evaluation of Mineral Resources* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, in order to enhance the relevance and reliability to the decision making needs of the users of our financial statements. In prior periods, our policy was to capitalize exploration and evaluation expenditures on properties that we have the legal rights to explore, until commercially viable. We have now elected to expense all exploration and evaluation expenses until such time that we believe that further expenditures will provide probable future economic benefit. Our policy is disclosed in Note 2(i) of our consolidated financial statements for the year ended December 31, 2014.

This change in accounting policy requires full retrospective application. IAS 1, *Presentation of Financial Statements* also requires that a third statement of financial position be presented as at the beginning of the prior period. As at January 1, 2013 and December 31, 2013, the following adjustments were recorded to the consolidated statements of financial position:

		Adjustment for change in accounting policy	
At January 1, 2013	As previously reported [(1)]	Exploration and evaluation	As currently reported
	$	$	$
Property, plant and equipment	580,649	(150,116)	430,533
Deferred income tax liabilities	(19,373)	1,595	(17,778)
Net increase (decrease) in shareholders' equity		(148,521)	

[(1)] Effective January 1, 2013, we adopted IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine,* and therefore restated the originally presented consolidated statement of financial position.

		Adjustments for change in accounting policy	
At December 31, 2013	As previously reported	Exploration and evaluation	As currently reported
	$	$	$
Asset held for sale	13,140	(6,734)	6,406
Property, plant and equipment	400,409	(151,772)	248,637
Deferred income tax liabilities	(24,736)	5,707	(19,029)
Net (decrease) in shareholders' equity		(152,799)	

For the year ended December 31, 2013, the following adjustments were recorded to the consolidated statements of (loss) income:

		Adjustments for change in accounting policy	
Year ended December 31, 2013	As previously reported	Exploration and evaluation	As currently reported
	$	$	$
Exploration, evaluation and reclamation (expenses)	(4,018)	(19,439)	(23,457)
Gain on sale of mineral property	64,566	3,255	67,821
Other (expense) income	(22,574)	7,053	(15,521)
Income tax (expense)	(15,433)	4,112	(11,321)
(Decrease) in net income		(5,019)	
Weighted average shares outstanding (thousands)			
Basic	80,754	80,754	80,754
Diluted	80,754	80,754	80,754
(Decrease) in earnings per share			
Basic	(2.79)	(0.06)	(2.85)
Diluted	(2.79)	(0.06)	(2.85)

As at December 31, 2014, the change in accounting policy had the following impact on the consolidated statements of financial position:

		Effect of change in accounting policy	
At December 31, 2014	Under previous accounting policy	Exploration and evaluation	As currently reported
	$	$	$
Property, plant and equipment	600,929	(161,855)	439,074
Deferred income tax liabilities	(34,500)	5,450	(29,050)
Net (decrease) in shareholders' equity		(156,405)	

For the year ended December 31, 2014, the change in accounting policy had the following impact on the consolidated statements of (loss) income:

Year ended December 31, 2014	Under previous accounting policy	Effect of change in accounting policy: Exploration and evaluation	As currently reported
	$	$	$
Exploration, evaluation and reclamation (expenses)	(9,646)	(11,544)	(21,190)
Gain on sale of mineral property	9,214	6,699	15,913
Other (expense) income	(14,902)	1,461	(13,441)
Income tax (expense)	(30,321)	(257)	(30,578)
(Decrease) in net income		(3,641)	
Weighted average shares outstanding (thousands)			
Basic	80,754	80,754	80,754
Diluted	80,754	80,754	80,754
(Decrease) in earnings per share			
Basic	($1.52)	($0.05)	($1.57)
Diluted	($1.52)	($0.05)	($1.57)

As a result of our change in accounting policy, the carrying value of our Pitarrilla project was reduced from $127.0 million to $61.8 million at December 31, 2014. Silver prices had declined significantly in the fourth quarter of 2014 and long-term consensus estimates had similarly declined, which has resulted in the reclassification of Pitarrilla's Mineral Reserves to Mineral Resources. We concluded that this constituted an impairment indicator and undertook an assessment of the FVLCTD of the project. Using an approach of assessing comparable values of undeveloped Mineral Resources, we determined that no impairment would have been required had we not changed our accounting policy.

The reduction in the carrying value of our Pitarrilla project, as a result of our change in accounting policy, also caused the Pitarilla assets to fall below 10% of our total assets for all periods disclosed, and therefore, it is no longer a reporting segment. It is included within the "exploration and evaluation properties" segment for all periods disclosed in Note 23 of our consolidated financial statements for the year ended December 31, 2014.

(ii) Statement of cash flows presentation

We have changed the presentation of VAT recovered (paid) on the statements of cash flows from investing activities to operating activities to better reflect the nature of the activities.

Adoption of new or amended IFRS pronouncements

The following new and amended IFRS pronouncements were adopted during 2014:

Levies imposed by governments
IFRIC's Interpretation 21, *Levies* (“IFRIC 21”), an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* (“IAS 37”), on the accounting for levies imposed by governments, was effective for annual periods beginning on January 1, 2014. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (“obligating event”). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This did not have any significant impact on our current accounting for levies imposed by governments.

Impairment of assets
IAS 36, *Impairment of assets*, was amended to clarify disclosure requirements when a recoverable amount is determined based on FVLCTD. The amendment was effective for annual periods beginning on January 1, 2014 and we have adopted the amendment in note 10, which did not have a significant impact to the disclosure.

Critical Accounting Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. Areas of judgment and key sources of estimation uncertainty that have the most significant effect on the amounts recognized in the consolidated financial statements are the following:

Review of asset carrying values and impairment assessment

Non-current assets
In accordance with our accounting policy (Note 2(l) of our consolidated financial statements for the year ended December 31, 2014), each asset or cash generating unit ("CGU") is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment based, a formal estimate of recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU of assets is measured at the higher of FVLCTD or value in use ("VIU").

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, metal prices and forecasts, production budgets and forecasts, and life-of-mine estimates.

The determination of FVLCTD and VIU requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, Mineral Reserves, operating costs, taxes, close down and restoration costs and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in the consolidated statements of income (loss).

Financial instruments
At each reporting date, we conduct a review of our marketable securities and other financial instruments to determine whether there are any indications of impairment. This determination requires significant judgment. In making this judgment, we evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its carrying value; and the financial health of and business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow.

If the declines in fair value below carrying value are considered significant or prolonged, we will recognize a loss, being the transfer of the accumulated fair value adjustments recognized in other comprehensive income on the impaired available-for-sale financial assets to the consolidated statements of income (loss).

Mineral Reserves and Mineral Resources estimates We estimate Mineral Reserves and Mineral Resources based on information prepared by qualified persons as defined by NI 43-101. Mineral Reserves are used in the calculation of depreciation, amortization and impairment charges, for forecasting the timing of the payment of close down and restoration costs, and future taxes. In assessing the life of a mine for accounting purposes, Mineral Resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating Mineral Reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of Mineral Reserves and may,

ultimately, result in Mineral Reserve estimates being revised. Such changes in Mineral Reserves could impact on depreciation and amortization rates, asset carrying values and the provision for close down and restoration.

Determination of deferred stripping activities We determine whether stripping costs incurred during the production phase of a surface mining operation provide improved access to a component of an ore body that will be mined in a future period, and whether the costs can be reliably measured. We have to apply judgment when identifying components of the mine over which stripping costs are capitalized, estimate the average stripping ratio for each component, and use judgment in determining the period over which the stripping activity asset is amortized.

Determination of useful lives of property, plant and equipment We use the units-of-production method to depreciate mineral property expenditures, whereby depreciation is calculated using the quantity (either tonnes or ounces) of ore extracted from the mine in the period as a percentage of the total quantity of ore expected to be extracted in current and future periods based on Mineral Reserves. As noted above, there are numerous uncertainties inherent in estimating Mineral Reserves. Other assets are depreciated using the straight-line method, which includes significant management judgment to determine useful lives and residual values.

The carrying amounts of our mineral properties are depleted based on recoverable ounces contained in proven and probable Mineral Reserves. Changes to estimates of recoverable ounces and depletable costs including changes resulting from revisions to our mine plans and changes in metal price forecasts can result in a change to future depletion rates.

Valuation of inventory

Stockpiled ore and finished goods

Stockpiled ore and finished goods are valued at the lower of average cost and NRV. NRV is calculated as the estimated price at the time of sale based on prevailing and forecast metal prices less estimated future production costs to convert the inventory into saleable form and associated selling costs. The determination of forecast sales price, production and selling costs requires significant assumptions that may impact the stated value of our inventory.

Leach pad inventory

In determining the value of the leach pad, we make estimates of quantities and grades of ore stacked on leach pads and in-process, and the recoverable gold in this material to determine the total inventory. Changes in these estimates can result in a change in carrying amounts of inventory, as well as cost of sales.

Close down and restoration provision Close down and restoration costs are a consequence of exploration activities and mining, and the majority of close down and restoration costs are incurred near the end of the life of a mine. Our accounting policy requires the recognition of such provisions when the obligation occurs. The initial provisions are periodically reviewed during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations. Although the ultimate cost to be incurred is uncertain, we estimate our costs based on studies using current restoration standards and techniques. The initial closure provisions together with changes, other than those arising from the discount applied in establishing the net present value of the provision, are capitalized within property plant and equipment and depreciated over the lives of the assets to which they relate.

The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites, local inflation rates and exchange rates when liabilities are anticipated to be settled in a currency other than the United States dollar. The expected timing of expenditure can also change, for example, in response to changes in Mineral Reserves, production rates or economic conditions. As a result there could be significant adjustments to the provision for close down and restoration, which would affect future financial results.

Determination of the fair value of share-based compensation The fair value of share options and other forms of share-based compensation granted is computed to determine the relevant charge to the consolidated statement of income. In order to compute this fair value, we use option pricing models that require management to make various estimates and assumptions in relation to the expected life of the awards, volatility, risk-free interest rates, and forfeiture rates.

Valuation of financial instruments We are required to determine the valuation of our convertible notes (at inception), and the embedded derivatives within sales contracts. The convertible notes valuation required discounted cash flow analysis that involved various estimates and assumptions, whilst the valuation of the revenue derivatives require estimates of settlement dates and relies on market based forward metal prices at those settlement dates.

Deferred tax assets and liabilities The determination of our tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, we interpret tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities. We also make estimates of future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

Functional currency The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which the subsidiary operates may not be clear. This can have a significant impact on our consolidated results based on the foreign currency translation methods described in note 2(e) of the consolidated financial statements for the year ended December 31, 2014.

Contingencies Contingencies can be either possible assets or liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal, tax or regulatory proceedings that are pending against us or unasserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, we evaluate with our legal counsel the perceived merits of any legal, tax or regulatory proceedings, unasserted claims or actions. Also evaluated are the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets or liabilities are not recognized in the consolidated financial statements. In January 2015, we received a re-assessment from the Canada Revenue Agency ("CRA") for an amount of C$41.4 million. We have not provided for this amount.

Deferred consideration In February 2014, we completed the sale of our 100% interest in the Challacollo project of which a portion of sale consideration is deferred. The deferred consideration is dependent on various uncertain events and assumptions, including estimation of the year in which commercial production may be reached, the share price of Mandalay Resources Corporation ("Mandalay") for the deferred shares, and the price of silver for the deferred silver bullion. The fair value of the deferred consideration is determined by considering various scenarios of discounting the expected cash flows using a risk-adjusted discount rate and applying probability aspects to the cash flows.

Assessment of fair value of assets acquired in a business combination Judgment is required to determine whether we acquired a business under the definition of IFRS 3, *Business combinations*, and also the acquisition date when we obtained control over the business, which was the date that consideration is transferred and when we assumed the assets and liabilities.

Business combinations are accounted for using the acquisition method whereby identifiable assets acquired and liabilities assumed, including contingent liabilities, are recorded at their fair values at the date of acquisition. The valuation of certain assets and liabilities requires significant management estimates and judgment. The value of the leach pad inventory requires an estimation of recoverable ounces, production profile, future metal prices and costs to complete the production process. Property, plant and equipment requires judgment over the appropriate fair value methodology to appraise the assets and various assumptions around estimated useful lives and current replacement costs. The mineral property valuation is based upon estimates of Mineral Reserves and Mineral Resources used in our life of mine plan, as well as estimates of future metal prices, production, operating and capital costs, and economic assumptions around inflation rates and discount rates.

15. FUTURE ACCOUNTING CHANGES

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective. None of these is expected to have a significant effect on our consolidated financial statements, except the following set out below:

Operating segments
IFRS 8, *Operating segments* was amended to require disclosure of the judgments made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The amendment was effective for annual periods commencing on or after July 1, 2014.

Revenue from contracts with customers
The IASB has replaced IAS 18, *Revenue* in its entirety with IFRS 15 - *Revenue from contracts with customers* ("IFRS 15") which is intended to establish a new control-based revenue recognition model and change the basis for deciding whether revenue is to be recognized over time or at a point in time. IFRS 15 is effective for annual periods commencing on or after January 1, 2017. We are currently evaluating the impact the standard is expected to have on our consolidated financial statements.

IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9")
IFRS 9 as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but *IFRS 9 Financial Instruments (Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39)*, issued in November 2013, moved the mandatory effective date to January 1, 2018.

In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. We will quantify the effect in conjunction with the other phases, when the final standard, including all phases, is issued.

Amendments
Amendments to standards and interpretations include the following:

IFRS 7, *Financial instruments: Disclosure*: Was amended to require additional disclosures on transition from IAS 39 to IFRS 9. Effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on our consolidated financial statements.

16. INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Our management, with the participation of the President and Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures. Based upon the results of that evaluation, the President and Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this MD&A, our disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by us in the reports that we file is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the President and Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control Over Financial Reporting

Our management, with the participation of the President and Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the President and Chief Executive Officer and Chief Financial Officer, our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our internal control over financial reporting includes policies and procedures that:

- pertain to maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are made only in accordance with authorizations of management and our Board of Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our consolidated financial statements.

There has been no change in our internal control over financial reporting during the year ended December 31, 2014, other than the acquisition of the Marigold mine, which has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.
Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2014. In conducting this evaluation, the Marigold mine was excluded from our assessment of effectiveness of our internal control over financial reporting because it was acquired by us in a transaction that completed during 2014. The Marigold mine is owned by a wholly-owned subsidiary, the total assets and total revenues of which represent 35% and 53%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2014.

The effectiveness of our internal control over financial reporting, as of December 31, 2014, has been audited by PricewaterhouseCoopers LLP, who also audited our consolidated financial statements as of and for the years ended December 31, 2014 and 2013, as stated in their report which appears on our consolidated financial statements.

Limitations of Controls and Procedures

Our management, including the President and Chief Executive Officer and Chief Financial Officer, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within our organization have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

17. CAUTIONARY NOTES REGARDING FORWARD-LOOKING STATEMENTS AND MINERAL RESERVE AND MINERAL RESOURCE ESTIMATES

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of Canadian securities laws (collectively, “forward-looking statements”). All statements, other than statements of historical fact, are forward-looking statements.

Generally, forward-looking statements can be identified by the use of words or phrases such as “expects,” “anticipates,” “plans,” “projects,” “estimates,” “assumes,” “intends,” “strategy,” “goals,” “objectives,” “potential,”
or variations thereof, or stating that certain actions, events or results “may,” “could,” “would,” “might” or “will” be taken, occur or be achieved, or the negative of any of these terms or similar expressions. The forward-looking statements in this MD&A relate to, among other things: our ability to successfully integrate announced acquisitions, future production of silver, gold and other metals; future costs of inventory and cash costs per payable ounce of silver, gold and other metals; the prices of silver, gold and other metals; the effects of laws, regulations and government policies affecting our operations or potential future operations; future successful development of our projects; the sufficiency of our current working capital, anticipated operating cash flow or our ability to raise necessary funds; estimated production rates for silver, gold and other metals produced by us; timing of production and the cash and total costs of production at the Pirquitas mine and the Marigold mine; the estimated cost of sustaining capital; ongoing or future development plans and capital replacement, improvement or remediation programs; the estimates of expected or anticipated economic returns from our mining projects including future sales of metals, concentrates or other products produced by us; and our plans and expectations for our properties and operations.

These forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, the following: uncertainty of production, development plans and cost estimates for the Pirquitas mine, the Marigold mine, the Pitarrilla project and the San Luis project; future development risks, including start-up delays and operational issues; our ability to replace Mineral Reserves; our ability to complete and successfully integrate an announced acquisition, including the Marigold mine acquisition; our ability to obtain adequate financing for further exploration and development programs; commodity price fluctuations; political or economic instability and unexpected regulatory changes; currency fluctuations, particularly the value of the Argentine peso against the U.S. dollar; the possibility of future losses; general economic conditions; the recoverability of our interest in Pretium and our other marketable securities, including the price of and market for Pretium’s common shares and such other marketable securities; potential export duty on current and past production of silver concentrate from the Pirquitas mine; recoverability and tightened controls over the VAT collection process in Argentina; counterparty and market risks related to the sale of our concentrates and metals; differences in U.S. and Canadian practices for reporting Mineral Reserves and Mineral Resources; uncertainty in the accuracy of Mineral Reserves and Mineral Resources estimates and in our ability to extract mineralization profitably; uncertainty in acquiring additional commercially mineable mineral rights; lack of suitable infrastructure or damage to existing infrastructure; delays in obtaining or failure to obtain governmental permits, or non-compliance with permits we have obtained; governmental regulations, including health, safety and environmental regulations, increased costs and restrictions on operations due to compliance with such regulations; reclamation requirements for our exploration properties; unpredictable risks and hazards related to the development and operation of a mine or mine property that are beyond our control; compliance with anti-corruption laws and increased regulatory compliance costs; complying with emerging climate change regulations and the impact of climate change; uncertainties related to title to our mineral properties and the ability to obtain surface rights; recoverability of deferred consideration to be received in connection with recent divestitures; our insurance coverage; civil disobedience in the countries where our properties are located; operational safety and security risks; actions required to be taken by us under human rights law; our ability to access, when required, mining equipment and services; competition in the mining industry for properties; our ability to attract and retain qualified personnel and management and potential labour unrest, including labour actions by our unionized employees at the Pirquitas mine; shortage or poor quality of equipment or supplies; conflicts of interest that could arise from some of

our directors' and officers' involvement with other natural resource companies; claims and legal proceedings, including adverse rulings in current or future litigation against us and/or our directors or officers, and assessments; potential difficulty in enforcing judgments or bringing actions against us or our directors or officers outside Canada and the United States; certain terms of our convertible notes; and those other various risks and uncertainties identified under the heading “Risk Factors” in our most recent Annual Information Form filed with the Canadian securities regulatory authorities and included in our most recent Form 40-F filed with the SEC.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Our forward-looking statements are based on what our management considers to be reasonable assumptions, beliefs, expectations and opinions based on the information currently available to it. Assumptions have been made regarding, among other things, our ability to carry on our exploration and development activities, our ability to meet our obligations under our property agreements, the timing and results of drilling programs, the discovery of Mineral Resources and Mineral Reserves on our mineral properties, the timely receipt of required approvals and permits including obtaining the necessary surface rights for the lands required for successful project permitting, construction and operation of the Pitarrilla project, the price of the minerals we produce, the costs of operating and exploration expenditures, our ability to operate in a safe, efficient and effective manner, our ability to obtain financing as and when required and on reasonable terms and our ability to continue operating the Pirquitas mine and the Marigold mine. You are cautioned that the foregoing list is not exhaustive of all factors and assumptions which may have been used. We cannot assure you that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Our forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date hereof and we do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

Qualified Persons

Except as otherwise set out herein, the scientific and technical information contained in this MD&A relating to the Pirquitas mine has been reviewed and approved by Trevor J. Yeomans, ACSM, P.Eng., a Qualified Person under NI 43-101 and our employee. The scientific and technical information contained in this MD&A relating to the Marigold mine has been reviewed and approved by Thomas Rice and James N. Carver, each of whom is a SME Registered Member, a Qualified Person under NI 43-101 and our employee.

Cautionary Note Regarding Mineral Reserves and Mineral Resources Estimates

This MD&A includes Mineral Reserves and Mineral Resources classification terms that comply with reporting standards in Canada and the Mineral Reserves and the Mineral Resources estimates are made in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements of the SEC set out in Industry Guide 7. Consequently, Mineral Reserves and Mineral Resources information included in this MD&A is not comparable to similar information that would generally be disclosed by domestic U.S. reporting companies subject to the reporting and disclosure requirements of the SEC. Under SEC standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically produced or extracted at the time the reserve determination is made.

In addition, the SEC’s disclosure standards normally do not permit the inclusion of information concerning “Measured Mineral Resources,” “Indicated Mineral Resources” or “Inferred Mineral Resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by U.S. standards in documents filed with the SEC. U.S. investors should understand that “Inferred Mineral Resources” have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. Moreover, the requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and reserves reported by us in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information concerning

mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

Silver Standard Resources Inc.

Consolidated Financial Statements
December 31, 2014 and 2013 and January 1, 2013

Management's Responsibility for the Financial Statements

The preparation and presentation of the accompanying consolidated financial statements and Management's Discussion and Analysis ("MD&A") are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Financial statements, by nature, are not precise since they include certain amounts based upon estimates and judgments. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision of and the participation of the Chief Executive Officer and the Chief Financial Officer, has a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian and U.S. securities regulations. We, as Chief Executive Officer and as Chief Financial Officer, will certify our annual filings with the Canadian Securities Administrators and the Securities and Exchange Commission as required in Canada by National Instrument 52-109 and in the United States as required by the Sarbanes-Oxley Act of 2002.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee which is independent from management.

The Audit Committee is appointed by the Board of Directors and reviews the consolidated financial statements and MD&A; considers the report of the external auditors; assesses the adequacy of our internal controls, including management's assessment described below; examines the fees and expenses for audit services; and recommends to the Board the independent auditors for appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss their audit work, our internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board for consideration when approving the consolidated financial statements for issuance to the shareholders and management's assessment of the internal control over financial reporting.

Management's Report on Internal Control over Financial Reporting

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2014. In making this assessment, management used the criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2014. In conducting this evaluation, the Marigold mine was excluded from our assessment of effectiveness of our internal control over financial reporting because it was acquired by us in a transaction that completed during 2014. The Marigold mine is owned by a wholly-owned subsidiary, the total assets and total revenues of which represent 35% and 53%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2014.

PricewaterhouseCoopers LLP, our auditor, has audited the effectiveness of our internal control over financial reporting as of December 31, 2014, as stated in their report which appears herein.

"John Smith"	*"Gregory Martin"*
John Smith	Gregory Martin
President and Chief Executive Officer	Senior Vice President and Chief Financial Officer
February 19, 2015	



February 19, 2015

Independent Auditor's Report

To the Shareholders of Silver Standard Resources Inc.

We have completed integrated audits of Silver Standard Resources Inc. and its subsidiaries' (the "Company") December 31, 2014 and December 31, 2013 consolidated financial statements and their internal control over financial reporting as at December 31, 2014. Our opinions, based on our audits, are presented below.

Report on the consolidated financial statements
We have audited the accompanying consolidated financial statements of Silver Standard Resources Inc. and its subsidiaries', which comprise the consolidated statements of financial position as at December 31, 2014, December 31, 2013 and January 1, 2013 and the consolidated statements of loss, comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2014 and December 31, 2013 and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits as at December 31, 2014, December 31, 2013 and January 1, 2013 and for the years ended December 31, 2014 and December 31, 2013 in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Canadian generally accepted auditing standards also require that we comply with ethical requirements.

An audit involves performing procedures to obtain audit evidence, on a test basis, about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Silver Standard Resources Inc. and its subsidiaries as at December 31, 2014, December 31, 2013 and January 1, 2013 and their financial performance and their cash flows for the years ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of matter
As discussed in Note 2 (t) to the consolidated financial statements, on January 1, 2014, the Company changed its accounting policy with respect to International Financial Reporting Standard 6, *Exploration for and Evaluation of Mineral Resources* . Our opinion is not modified with respect to this matter.

Report on internal control over financial reporting
We have also audited Silver Standard Resources Inc. and its subsidiaries' internal control over financial reporting as at December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Management's responsibility for internal control over financial reporting
Management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting.

Auditor's responsibility
Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control, based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances.

We believe that our audit provides a reasonable basis for our audit opinion on the Company's internal control over financial reporting.

Definition of internal control over financial reporting
A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations
Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

As described in Management's Report on Internal Control over Financial Reporting, management has excluded Marigold mine from its assessment of internal control over financial reporting as of December 31, 2014 because it was acquired by the Company in a business combination during 2014. We have also excluded Marigold mine from our audit of internal control over financial reporting. Marigold mine is a wholly-owned subsidiary whose total assets and total revenues represent 35% and 53%, respectively, of the Company's related consolidated financial statement amounts as of and for the year ended December 31, 2014.

Opinion
In our opinion, Silver Standard Resources Inc. and its subsidiaries maintained, in all material respects, effective internal control over financial reporting as at December 31, 2014, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

signed "PricewaterhouseCoopers LLP"

Chartered Accountants

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Silver Standard Resources Inc.

Consolidated Statements of Financial Position

As at December 31, 2014 and 2013 and January 1, 2013

(expressed in thousands of United States dollars)

	Note	December 31 2014	December 31 2013 (restated note 2(t))	January 1 2013 (restated note 2(t))
		$	$	$
Current assets				
Cash and cash equivalents	4	**184,643**	415,657	366,947
Trade receivables and other assets	5	**49,824**	69,247	83,454
Marketable securities	6	**104,785**	129,267	34,733
Other current financial assets	7	**19,443**	10,000	—
Inventory	8	**129,228**	50,892	74,246
Assets held for sale	9	**3,895**	6,406	6,344
		491,818	681,469	565,724
Non-current assets				
Property, plant and equipment	9	**439,074**	248,637	430,533
Deferred income tax assets	11	**—**	12,041	7,074
Value added tax receivable	12	**29,473**	62,423	37,363
Non-current inventory	8	**4,326**	8,318	5,558
Investment in associate		**—**	—	119,632
Other non-current financial assets	7	**21,558**	19,847	1,847
Total assets		**986,249**	1,032,735	1,167,731
Current liabilities				
Trade and other payables	13	**56,645**	51,727	42,135
Current provisions	14	**60,303**	52,397	36,873
Current debt	15	**5,922**	—	135,805
		122,870	104,124	214,813
Non-current liabilities				
Deferred income tax liabilities	11	**29,050**	19,029	17,778
Close down and restoration provision	16	**57,945**	32,973	31,222
Debt	15	**197,134**	187,130	—
Total liabilities		**406,999**	343,256	263,813
Shareholders' equity				
Share capital	17	**707,034**	707,034	706,901
Other reserves	18	**(12,723)**	(28,887)	24,016
Equity component of convertible notes	15	**68,347**	68,347	—
Retained (deficit) earnings		**(183,408)**	(57,015)	173,001
Total shareholders' equity attributable to our shareholders		**579,250**	689,479	903,918
Total liabilities and equity		**986,249**	1,032,735	1,167,731
Commitments (note 25(c))				
Events after the reporting date (note 11)				

The accompanying notes are an integral part of the consolidated financial statements

Approved by the Board of Directors and authorized for issue on February 19, 2015

"Richard D. Paterson"
Richard D. Paterson, Director

"John Smith"
John Smith, Director

Silver Standard Resources Inc.

Consolidated Statements of Loss

For the years ended December 31, 2014 and 2013

(expressed in thousands of United States dollars, except per share amounts)

	Note	2014	2013 (restated note 2(t))
		$	$
Revenue		**300,122**	174,686
Cost of sales	19	**(263,922)**	(169,502)
Income from mine operations		**36,200**	5,184
General and administrative expenses	19	**(21,862)**	(23,441)
Exploration, evaluation and reclamation expenses		**(21,190)**	(23,457)
Business acquisition costs	3	**(5,395)**	—
Impairment charges	10	**(40,250)**	(202,440)
Operating (loss)		**(52,497)**	(244,154)
Gain on sale of mineral property	9	**15,913**	67,821
Gain on derecognition of investment in associate	6	**—**	21,959
Interest earned and other finance income	20	**5,825**	6,180
Interest expense and other finance expenses	20	**(26,412)**	(23,092)
Other (expense)	21	**(13,441)**	(15,521)
Foreign exchange (loss)		**(25,203)**	(31,888)
(Loss) before tax		**(95,815)**	(218,695)
Income tax (expense)	11	**(30,578)**	(11,321)
Net (loss) and net (loss) attributable to shareholders		**(126,393)**	(230,016)
Weighted average shares outstanding (thousands)			
Basic	22	**80,754**	80,754
Diluted	22	**80,754**	80,754
(Loss) earnings per share			
Basic	22	**($1.57)**	($2.85)
Diluted	22	**($1.57)**	($2.85)

The accompanying notes are an integral part of the consolidated financial statements

Silver Standard Resources Inc.

Consolidated Statements of Comprehensive Loss

For the years ended December 31, 2014 and 2013

(expressed in thousands of United States dollars)

	Note	2014	2013
			(restated note 2(t))
		$	$
Net (loss) for the period attributable to shareholders		**(126,393)**	(230,016)
Items that may be reclassified to net income or loss:			
Unrealized gain (loss) on marketable securities, net of tax		**11,811**	(54,056)
Realized loss recycled to net income or loss		**2,258**	312
Share of other comprehensive (loss) of associate	6	**—**	(641)
Cumulative translation adjustment		**35**	348
Other comprehensive income (loss)		**14,104**	(54,037)
Total comprehensive (loss) attributable to shareholders		**(112,289)**	(284,053)
Total comprehensive (loss)		**(112,289)**	(284,053)

The accompanying notes are an integral part of the consolidated financial statements

Silver Standard Resources Inc.

Consolidated Statements of Changes in Shareholders' Equity

For the years ended December 31, 2014 and 2013

(expressed in thousands of United States dollars)

	Note	Common Shares		Other reserves	Equity component of	Retained	Total
		Shares	Amount	(note 18)	convertible notes	earnings	equity
				(restated note 2(t))		(restated note 2(t))	(restated note 2(t))
		000's	$	$	$	$	$
Balance, January 1, 2013		80,747	706,901	24,016	—	173,001	903,918
Exercise of stock options	17	7	133	(56)	—	—	77
Equity-settled share-based compensation	17	—	—	1,190	—	—	1,190
Equity component of convertible debt	15	—	—	—	68,347	—	68,347
Total comprehensive (loss) for the year		—	—	(54,037)	—	(230,016)	(284,053)
Balance, December 31, 2013		80,754	707,034	(28,887)	68,347	(57,015)	689,479
Exercise of stock options	17				—	—	—
Equity-settled share-based compensation	17	—	—	2,060	—	—	2,060
Total comprehensive income (loss) for the year		—	—	14,104	—	(126,393)	(112,289)
Balance, December 31, 2014		**80,754**	**707,034**	**(12,723)**	**68,347**	**(183,408)**	**579,250**

The accompanying notes are an integral part of the consolidated financial statements

Silver Standard Resources Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2014 and 2013

(expressed in thousands of United States dollars)

	Note	2014	2013
			(restated note 2(t))
		$	$
Cash flows from operating activities			
Net (loss) for the year		**(126,393)**	(230,016)
Adjustments for:			
Depreciation, depletion and amortization		**42,311**	43,029
Share-based payments		**2,167**	1,001
Net finance expense		**20,587**	16,912
(Gain) on sale of mineral property		**(15,913)**	(67,821)
Impairment charges and inventory write-downs		**51,657**	218,610
Net (gains) on investment in associate		**—**	(23,037)
Other loss		**12,994**	13,035
Income tax expense		**30,578**	11,321
Non-cash foreign exchange loss		**19,744**	25,170
Net changes in non-cash working capital items	27	**23,366**	13,842
Cash generated in operating activities before value added taxes, interest and income taxes (paid) recovered		**61,098**	22,046
Value added taxes (paid)		**(17,780)**	(19,374)
Value added taxes recovered		**30,707**	5,040
Interest (paid)		**(7,619)**	(7,210)
Income taxes recovered (paid)		**2,427**	(14,536)
Cash generated in operating activities		**68,833**	(14,034)
Cash flows from investing activities			
Purchase of Marigold Mine		**(267,732)**	—
Increase in restricted cash		**(17,621)**	—
Purchase of property, plant and equipment		**(19,172)**	(31,924)
Deferred stripping expenditures		**(31,088)**	(28,837)
Expenditures on exploration properties		**(4,680)**	(4,116)
Proceeds from sale of exploration property	9	**17,500**	15,000
Taxes paid on sale of exploration properties		**(16,780)**	—
Proceeds from sale of marketable securities and other investments		**39,249**	440
Interest received		**1,458**	6,180
Dividends received		**166**	178
Cash (used) generated by investing activities		**(298,700)**	(43,079)
Cash flows from financing activities			
Proceeds from loan facility		**5,922**	—
Net proceeds from issuance of convertible notes		**—**	256,083
Repayment of convertible notes		**—**	(138,000)
Proceeds from exercise of stock options		**—**	77
Cash generated by financing activities		**5,922**	118,160
Effect of foreign exchange rate changes on cash and cash equivalents		**(7,069)**	(12,337)
Increase in cash and cash equivalents		**(231,014)**	48,710
Cash and cash equivalents, beginning of period		**415,657**	366,947
Cash and cash equivalents, end of period		**184,643**	415,657

Supplemental cash flow information (note 27)

The accompanying notes are an integral part of the consolidated financial statements

1. NATURE OF OPERATIONS

Silver Standard Resources Inc. ("we", "us" or "our") is a company incorporated under the laws of the Province of British Columbia, Canada and our shares are publicly listed on the Toronto Stock Exchange in Canada and the NASDAQ Global Markets in the United States. Together with our subsidiaries, we (the "Group") are principally engaged in the operation, acquisition, exploration and development of precious metal resource properties located in the Americas. With the acquisition of the Marigold mine on April 4, 2014, we have two producing mines and a portfolio of silver resource dominant projects located throughout the Americas. Silver Standard Resources Inc. is the ultimate parent of the Group.

Our address is Suite 800, 1055 Dunsmuir Street, PO Box 49088, Vancouver, British Columbia, V7X 1G4.

Our focus is on profitable production of silver from our Pirquitas mine in Argentina and gold from our Marigold mine in Nevada, U.S.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

a) Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The comparative information has also been prepared on this basis, details of which are given below, for which comparative information has been restated.

These statements were authorized for issue by the Board of Directors on February 19, 2015.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires us to exercise our judgment in the process of applying our accounting policies. The areas involving judgment or complexity, or areas where assumptions and estimates are significant and could affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period, are discussed in note 2(u).

b) Accounting convention

These consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments, which are measured at fair value as described in note 2(q).

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of Silver Standard Resources Inc. and all of our subsidiaries (note 26(b)).

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which we have control. We control an entity when we are exposed to, or have rights to, variable returns from our involvement with the entity and have the ability to affect those returns through our power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control is transferred to us until the date that control ceases.

All intercompany transactions and balances have been eliminated on consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ii) Associates

An associate is an entity over whose operating and financial policies we exercise significant influence. Significant influence is presumed to exist where we have between 20 per cent and 50 per cent of the voting rights, but can also arise where we hold less than 20 per cent of the voting rights, but have power to be actively involved and influential in policy decisions affecting the entity. Our share of the net assets, post-tax results and reserves of the associate are included in the consolidated financial statements using the equity accounting method. This involves recording the investment initially at cost to us, and then, in subsequent periods, adjusting the carrying amount of the investment to reflect our share of the associate's results. Unrealized gains on transactions between us and our associate are eliminated to the extent of our interest in the associate.

d) Business combinations

A business combination is defined as an acquisition of assets and liabilities that constitute a business. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to us and our shareholders. A business consists of inputs, including non-current assets, and processes, including operational processes, that when applied to those inputs have the ability to create outputs that provide a return to us and our shareholders. A business also includes those assets and liabilities that do not necessarily have all the inputs and processes required to produce outputs, but can be integrated with our inputs and processes or we could easily replicate the processes to create outputs. When acquiring a set of activities or assets in the exploration and development stage, which may not have outputs, we consider other factors to determine whether the set of activities or assets is a business. Those factors include, but are not limited to, whether the set of activities or assets:

- Has begun planned principal activities;
- Has employees, intellectual property and other inputs and processes that could be applied to those inputs;
- Is pursuing a plan to produce outputs; and
- Will be able to obtain access to customers that will purchase the outputs.

Not all of the above factors need to be present for a particular integrated set of activities or assets in the exploration and development stage to qualify as a business.

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets and liabilities transferred. The results of businesses acquired during the period are included in the consolidated financial statements from the date of acquisition. The identifiable assets, liabilities and contingent liabilities of the businesses which can be measured reliably are recorded at provisional fair values at the date of acquisition. Provisional fair values are finalized within 12 months of the acquisition date. Acquisition-related costs are expensed as incurred. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of our subsidiaries are measured using the currency of the primary economic environment in which the particular entity operates (the "functional currency").

The consolidated financial statements are presented in United States dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities are translated using the period end exchange rates. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iii) Subsidiaries

The results and financial position of subsidiaries and of associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the period-end exchange rate;
- Income and expenses for each statement of income are translated at average exchange rates for the period; and
- All resulting exchange differences are recognized in other comprehensive income as cumulative translation adjustments.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to the foreign currency translation reserve. When a foreign operation is sold or control is lost, such exchange differences are recognized in the consolidated statement of income as part of the gain or loss on sale.

f) Revenue recognition

Our primary source of revenue is from the sale of metal-bearing concentrate and gold doré or bullion. Revenue is recognized in the consolidated financial statements when the following conditions are met:

- the significant risks and rewards of ownership have passed to the customer;
- neither continuing managerial involvement, to the degree usually associated with ownership, nor effective control over the good sold, has been retained;
- the amount of revenue can be measured reliably;
- it is probable that economic benefits associated with the sale will flow to us; and
- the costs incurred or to be incurred in respect of the sale can be measured reliably.

Revenue from the sale of concentrate is recorded net of charges for treatment, refining and penalties. Net revenues from the sale of significant by-products are included within revenue. Where a by-product is not regarded as significant, sales proceeds may be credited against cost of sales.

Concentrate sales are recognized on a provisional basis using our estimate of contained metals. Final settlement is based on applicable commodity prices, based on contractually determined quotational periods, and receipt of final weights and assays, which typically occurs two to six months after shipment.

Variations between the price recorded when revenue was initially recognized and the actual final price are caused by changes in metal prices and result in an embedded derivative. The derivative is recorded at fair value each period until final settlement occurs, with value adjustments recognized in revenue.

Revenue from the sale of gold doré or bullion is typically recognized on the trade settlement date when funds are received.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand and held at banks and short-term investments with an original maturity of 90 days or less, which are readily convertible into a known amount of cash and excludes any restricted cash that is not available for use by us.

h) Inventory

Stockpiled ore, leach pad inventory and finished goods are valued at the lower of average cost and estimated net realizable value (“NRV”). Cost includes all direct costs incurred in production including direct labour and materials, production stripping, freight, depreciation, depletion and amortization and directly attributable overhead costs. The NRV is calculated using the estimated price at the time of sale based on prevailing and forecast metal prices less estimated future production costs to convert the inventory into saleable form and all associated selling costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Any write-downs of inventory to NRV are recorded within cost of sales in the consolidated statements of loss. If there is a subsequent increase in the value of inventory, the previous write-downs to NRV are reversed up to cost to the extent that the related inventory has not been sold.

Stockpiled ore inventory represents ore that has been extracted from the mine and is available for further processing. Costs added to stockpiled ore inventory are derived from the current mining costs incurred up to the point of stockpiling the ore and are removed at average cost. Quantities of stockpiled ore are verified by periodic surveys.

The recovery of gold and by-products from certain oxide ore is achieved through a heap leaching process. Under this method, ore is stacked on leach pads and treated with a chemical solution that dissolves the gold contained within the ore. The resulting pregnant solution is further processed in a plant where the gold is recovered in doré. Costs added to heap leach inventory are derived from current mining and leaching costs and removed as ounces of gold are recovered at the average cost per recoverable ounce of gold on the leach pads. Estimates of recoverable gold in the leach pads are calculated based on the quantities of ore placed on the leach pads (measured tonnes added to the leach pads), the grade of ore placed on the leach pads (based on assay data), and a recovery percentage.

Finished goods inventory includes metal concentrates at site and in transit and doré at a site or refinery or bullion in a metal account.

Materials and supplies inventories are valued at the lower of average cost and NRV. Costs include acquisition, freight and other directly attributable costs. A regular review is undertaken to determine the extent of any provision for obsolescence.

Inventory that is not planned to be processed or used within one year is classified as non-current.

i) Mineral properties

Capitalized costs of mineral properties include the following:

- Costs of acquiring exploration stage properties in asset acquisitions;
- Economically recoverable exploration and evaluation expenses;
- Expenditures incurred to develop mining properties;
- Value attributed to properties acquired in a business combination;
- Deferred stripping costs;
- Estimates of close down and restoration assets; and
- Borrowing costs incurred that are attributable to qualifying mineral properties.

(i) Exploration and evaluation expenditures

Exploration expenditures are the costs incurred in the initial search for mineral deposits with economic potential or in the process of obtaining more information about existing mineral deposits. Exploration expenditures typically include costs associated with acquiring the rights to explore, prospecting, sampling, mapping, diamond drilling and other work involved in searching for mineral resources.

Evaluation expenditures are costs incurred to establish the technical and commercial viability of developing mineral deposits identified through exploration activities or by acquisition. Evaluation expenditures include the cost of (i) further defining the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body that is classified as either a Mineral Resource or a Proven and Probable Mineral Reserve; (ii) determining the optimal methods of extraction and metallurgical and treatment processes; (iii) studies related to surveying, transportation and infrastructure requirements; (iv) permitting activities; and (v) economic evaluations to determine whether development of mineralized material is commercially justified including preliminary economic assessments, pre-feasibility and final feasibility studies.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

The costs of acquiring exploration properties in an asset purchase, including option payments and the acquisition of mineral licenses, are capitalized as an exploration and evaluation asset at cost. The cost of acquiring Mineral Resources in a business combination are recognized as mineral property asset at fair value.

All other exploration and evaluation expenditures are expensed until it is probable that future economic benefits will flow to us. We use the following criteria to assess the economic recoverability and probability of future economic benefits:

- Viability: A Proven and/or Probable Mineral Reserve has been established that demonstrates a positive financial return, and/or where there is a history of conversion to Mineral Reserves at operating mines; and
- Authorizations: necessary permits, access to critical resources and environmental programs exist or are reasonably obtainable.

Once future economic benefits are expected, further exploration and evaluation expenditures are capitalized at cost and recognized as an exploration and evaluation asset within property, plant and equipment. Capitalized costs are considered to be tangible assets as they form part of the underlying mineral property. No amortization is charged during the evaluation and development phase as the asset is not available for use.

(ii) Development expenditures

Once approval has been obtained to commence the development and construction of a mine, all costs are capitalized and included in the carrying amount of the related property in the period incurred. All costs, including pre-operating costs are capitalized until the point that the mineral property is operating at intended levels by us. This is determined by: (i) completion of operational commissioning of major mine and plant components; (ii) operating results being achieved consistently for a period of time; (iii) indicators that these operating results will be continued; and (iv) other factors being present, including one or more of the following: A significant portion of the plant/mill capacity being achieved; a significant portion of available funding being directed towards operating activities; a predetermined, reasonable period of time being passed; or significant milestones for the development of the mineral property being achieved.

In addition, any proceeds from sales in these periods are offset against costs capitalized.

In open pit mining operations, it is necessary to incur costs to remove waste material in order to access the ore body, which is known as stripping. Stripping costs incurred prior to the production stage of a mining property (pre-stripping costs) are capitalized as part of the carrying amount of the related mining property.

Once the mineral property is operating as intended, further operating costs, including depreciation, depletion and amortization, are included within inventory as incurred.

(iii) Production stripping costs

During the production phase of a mine, where stripping activities result in improved access to ore, we recognize a non-current 'stripping activity asset' ("SAA") when it is probable that the future economic benefit of the improved access will flow to us, the ore to which access has been improved is identifiable, and costs can be reliably measured. Typically identifiable components of an ore body correspond to the phases of a mine plan. Within each identifiable component, the average stripping ratio is determined; the cost of waste removal in excess of the stripping ratio is capitalized as a SAA, and the cost of waste and ore removal in line with the average stripping ratio is recorded in inventory. The SAA is amortized using a unit of production method over the period in which the improved access to the component of the ore body is achieved.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iv) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the asset until the asset is substantially ready for its intended use or sale. Where funds have been borrowed specifically to finance an asset, the amount capitalized is the actual borrowing costs incurred. Where the funds used to finance an asset form part of general borrowings, the amount capitalized is calculated using a weighted average of rates applicable to our relevant general borrowings during the period.

j) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment charges.

The cost of an item of property, plant and equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and for qualifying assets, the associated borrowing costs.

Where an item of plant and equipment is comprised of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

Costs incurred for major overhaul of existing equipment and sustaining capital are capitalized as plant and equipment and are subject to depreciation once they are available for use. Major overhauls include improvement programs that increase the productivity or extend the useful life of an asset beyond that initially envisaged. The costs of routine maintenance and repairs that do not constitute improvement programs are accounted for as a cost of inventory.

k) Depreciation

The carrying amounts of plant and equipment are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of mine or lease, if shorter. Depreciation starts on the date when commissioning is complete. The major categories of property, plant and equipment are depreciated on a units-of-production or straight-line basis using the estimated lives indicated below:

Computer equipment	3 - 5 years
Furniture and fixtures	7 years
Vehicles	3 years
Mining equipment	5 - 7 years
Mobile equipment components	3 - 15 years
Buildings	Life of mine
Mine plant equipment	Life of mine
Leasehold improvements	Lease term

Land is not depreciated.

Mineral properties, including close down and restoration assets and SAA, are depreciated using the units-of-production method. In applying the units-of-production method, depreciation is calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material expected to be extracted in current and future periods based on Mineral Reserves.

We conduct an annual review of residual values, useful lives and depreciation methods employed for property, plant and equipment. Any changes in estimate that arise from this review are accounted for prospectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

l) Review of asset carrying values and impairment assessment

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment or at any time if an indicator of impairment is considered to exist. Assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

We conduct reviews to assess for any indications of impairment of asset values. External factors such as changes in current and forecast metal prices, operating costs and other market factors are also monitored to assess for indications of impairment.

If any such indication exists an estimate of the recoverable amount is undertaken, being the higher of an asset's fair value less costs to dispose ("FVLCTD") and value in use ("VIU"). If the asset's carrying amount exceeds its recoverable amount then an impairment loss is recognized in the consolidated statement of loss.

FVLCTD is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value of mineral assets is generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including any expansion prospects.

VIU is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and from its ultimate disposal.

Impairment is normally assessed at the level of cash-generating units ("CGUs"), which are identified as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets.

Non-financial assets, other than goodwill, that have been impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed. When a reversal of a previous impairment is recorded, the reversal amount is adjusted for depreciation that would have been recorded had the impairment not taken place.

m) Share capital

Common shares issued by us are recorded at the net proceeds received which is the fair value of the consideration received less costs incurred in connection with the issue.

n) Share-based payments

Equity-settled share-based payment arrangements such as our stock option plan are initially measured at fair value at the date of grant and recorded within shareholders' equity. Arrangements considered to be cash-settled such as the Directors' Deferred Share Unit ("DSU") Plan, the Restricted Share Unit ("RSU") Plan and the Performance Share Unit ("PSU") Plan are initially recorded at fair value and classified as accrued liabilities and subsequently remeasured at fair value at each reporting date.

The fair value at grant date of all share-based payments is recognized as compensation expense over the period for which benefits of services are expected to be derived, with a corresponding credit to shareholders' equity or accrued liabilities depending on whether they are equity-settled or cash-settled. We estimate the fair value of stock options granted using the Black-Scholes option pricing model and estimate the expected forfeiture rate at the date of grant. The fair value of DSUs, PSUs, and RSUs is estimated based on the quoted market price of our common shares. When awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed.

o) Taxation

The income tax expense for the period is comprised of current and deferred tax, and is recognized in the consolidated statement of income except to the extent that it relates to items recognized directly in shareholders' equity, in which case the tax is recognized in equity.

(i) Current income tax

Current tax for each of our taxable entities is based on the local taxable profit for the period at the local statutory tax rates enacted or substantively enacted at the date of the consolidated statement of financial position.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ii) Deferred tax

Deferred tax is recognized, using the liability method, on temporary differences between the carrying value of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax is determined using tax rates and tax laws that are enacted or substantively enacted at the date of the consolidated statement of financial position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are not recognized if the temporary difference arises on the initial recognition of assets and liabilities in a transaction other than a business combination, that at the time of the transaction, affects neither the taxable nor the accounting profit or loss.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the timing of the reversal of the temporary difference is controlled by us and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available to be utilized against those deductible temporary differences. Deferred tax assets are reviewed at each reporting date and amended to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off the current tax assets against the current tax liabilities and when they relate to income taxes levied by the same taxation authority and we intend to settle our current tax assets and liabilities on a net basis.

(iii) Royalties and other tax arrangements

Royalties and other arrangements are treated as taxation arrangements when they have the characteristics of tax. This is considered to be the case when they are imposed under government authority and the amount payable is calculated by reference to an income measure. Obligations arising from royalty arrangements that do not satisfy these criteria are recognized as current liabilities and included within cost of sales.

(iv) Value added tax ("VAT")

VAT may be paid in countries where recoverability is uncertain. In these cases, VAT payments are either deferred within mineral property costs, or expensed if related to exploration and evaluation costs. If we ultimately recover the amounts that have been deferred, the amount received will be applied to reduce mineral property costs. If the amounts were previously expensed, the recovery will be recognized in the consolidated statement of loss.

p) Loss per share

Basic loss per share is calculated by dividing the net loss attributable to our shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options and convertible notes. The “treasury stock method” is used for the assumed proceeds upon exercise of the dilutive instruments to determine the number of shares assumed to be purchased at the average market price during the period.

A portion of the convertible notes may be converted into common shares and hence the maximum dilution impact of these is determined.

When a loss is incurred during the year, basic and diluted loss per share are the same because the exercise of options and convertible notes are considered to be anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

q) Financial instruments

(i) Financial assets and liabilities

We classify our financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), loans and receivables, available-for-sale, held to maturity, and other financial liabilities. The classification depends on the purpose for which the financial assets or liabilities were obtained. Management determines the classification of financial assets and liabilities at initial recognition.

We have not classified any financial instruments as held to maturity. Our accounting policy for each of the other categories is as follows:

Financial assets and liabilities at FVTPL Financial assets and liabilities carried at FVTPL are recorded at fair value and transaction costs are expensed in the statement of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets or liabilities held at FVTPL are included in the consolidated statement of loss in the period in which they arise. Financial assets at FVTPL are held for trading. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Derivatives are held for trading unless they are designated as hedges.

Loans and receivables Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets or non-current assets based on their maturity date. Loans and receivables are initially recognized at fair value and subsequently carried at amortized cost less any impairment.

Available-for-sale financial assets Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other categories.

Available-for-sale assets are initially recorded at fair value plus transaction costs, and are subsequently carried at fair value. All unrealized gains and losses arising from changes in the fair value of assets classified as available-for-sale are recognized directly in other comprehensive loss, except for unrealized foreign exchange gains or losses on monetary financial assets and impairment losses which are recognized in the statement of loss. Any reversal of a previously recognized impairment loss on a non-monetary asset is recognized directly in other comprehensive loss. Realized gains and losses from the derecognition of available-for-sale assets are recognized in the consolidated statement of loss in the period derecognized with any unrealized gains or losses being recycled from other comprehensive loss.

Other financial liabilities Other financial liabilities are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost. Any difference between the initial cost and the redemption value is recognized in the consolidated statement of income over the period to maturity using the effective interest method.

Derivative financial instruments Our policy with regard to 'Financial Risk Management' is set out in note 25. When we enter into derivative contracts these are designed to reduce the exposures related to assets and liabilities, or anticipated transactions.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. Commodity-based embedded derivatives resulting from provisional sales prices of metals in concentrate are recognized in revenue as described in note 2(f). Embedded derivatives in the 2008 convertible notes are described in note 15.

(ii) Fair value of financial instruments

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), we establish fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the financial asset's specific circumstances.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iii) Impairment of financial assets

We assess at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An evaluation is made as to whether a decline in fair value is 'significant' or 'prolonged' based on indicators such as significant adverse changes in the market, economic or legal environment.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

(iv) Derecognition of financial assets and liabilities

Financial assets are derecognized when the investments mature or are sold, and substantially all the risks and rewards of ownership have been transferred. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Gains and losses on derecognition are recognized within finance income or other income and finance costs, respectively.

r) Provisions for close down and restoration and for environmental clean-up costs

Close down and restoration costs include dismantling and demolition of infrastructure, the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, based on the net present value of estimated future costs. The cost estimates are updated during the life of the operation to reflect known development, e.g. revisions to cost estimates and to the estimated lives of the operations, and are subject to formal reviews at regular intervals.

The initial closure provision together with changes resulting from changes in estimated cash flows or discount rates are adjusted within mineral properties. These costs are then depreciated over the life of the asset to which they relate, typically using the units-of-production method. The accretion or unwinding of the discount applied in establishing the net present value of provisions is charged to the consolidated statement of income as a financing expense.

s) Leases

Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as finance leases. Finance leases are capitalized at the lease commencement at the lower of the fair market value of the leased property and the net present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charge. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

All other leases are accounted for as operating leases wherein rental payments are expensed as incurred.

t) Change in accounting policies and restatement of comparatives

(i) Change in accounting policies

We have elected to change our accounting policy with respect to exploration and evaluation expenditures, consistent with IFRS 6, *Exploration for and Evaluation of Mineral Resources* and IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, in order to enhance the relevance and reliability to the decision-making needs of the users of our financial statements. In prior periods, our policy was to capitalize exploration and evaluation expenditures on properties that we have the legal rights to explore, until commercially viable. We have now elected to expense all exploration and evaluation expenses until such time that we believe that further expenditures will provide probable future economic benefit. Our policy is disclosed in note 2(i).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

This change in accounting policy requires full retrospective application. IAS 1, *Presentation of Financial Statements* also requires that a third statement of financial position be presented as at the beginning of the prior period. As at January 1, 2013 and December 31, 2013, the following adjustments were recorded to the consolidated statements of financial position:

		Adjustment for change in accounting policy	
At January 1, 2013	As previously reported [1]	Exploration and evaluation	As currently reported
	$	$	$
Property, plant and equipment	580,649	(150,116)	430,533
Deferred income tax liabilities	(19,373)	1,595	(17,778)
Net increase (decrease) in shareholders' equity		(148,521)	

[1] Effective January 1, 2013, we adopted IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine* (as outlined in note 2(i)(iii)), and therefore restated the originally presented consolidated statement of financial position.

		Adjustments for change in accounting policy	
At December 31, 2013	As previously reported	Exploration and evaluation	As currently reported
	$	$	$
Asset held for sale	13,140	(6,734)	6,406
Property, plant and equipment	400,409	(151,772)	248,637
Deferred income tax liabilities	(24,736)	5,707	(19,029)
Net (decrease) in shareholders' equity		(152,799)	

For the year ended December 31, 2013, the following adjustments were recorded to the consolidated statements of loss:

		Adjustments for change in accounting policy	
Year ended December 31, 2013	As previously reported	Exploration and evaluation	As currently reported
	$	$	$
Exploration, evaluation and reclamation (expenses)	(4,018)	(19,439)	(23,457)
Gain on sale of mineral property	64,566	3,255	67,821
Other (expense) income	(22,574)	7,053	(15,521)
Income tax (expense)	(15,433)	4,112	(11,321)
(Decrease) in net income		(5,019)	
Weighted average shares outstanding (thousands)			
Basic	80,754	80,754	80,754
Diluted	80,754	80,754	80,754
(Decrease) in earnings per share			
Basic	($2.79)	($0.06)	($2.85)
Diluted	($2.79)	($0.06)	($2.85)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

As at December 31, 2014, the change in accounting policy had the following impact on the consolidated statements of financial position:

		Effect of change in accounting policy	
At December 31, 2014	Under previous accounting policy	Exploration and evaluation	As currently reported
	$	$	$
Property, plant and equipment	600,929	(161,855)	439,074
Deferred income tax liabilities	(34,500)	5,450	(29,050)
Net (decrease) in shareholders' equity		(156,405)	

For the year ended December 31, 2014, the change in accounting policy had the following impact on the consolidated statements of loss:

		Effect of change in accounting policy	
Year ended December 31, 2014	Under previous accounting policy	Exploration and evaluation	As currently reported
	$	$	$
Exploration, evaluation and reclamation (expenses)	(9,646)	(11,544)	(21,190)
Gain on sale of mineral property	9,214	6,699	15,913
Other (expense) income	(14,902)	1,461	(13,441)
Income tax (expense)	(30,321)	(257)	(30,578)
(Decrease) in net income		(3,641)	
Weighted average shares outstanding (thousands)			
Basic	80,754	80,754	80,754
Diluted	80,754	80,754	80,754
(Decrease) in earnings per share			
Basic	($1.52)	($0.05)	($1.57)
Diluted	($1.52)	($0.05)	($1.57)

As a result of our change in accounting policy, the carrying value of our Pitarrilla project was reduced from $126,985,000 to $61,811,000 at December 31, 2014. Silver prices had declined significantly in the fourth quarter of 2014 and long-term consensus estimates had similarly declined, which has resulted in the reclassification of Pitarrilla's Mineral Reserves to Mineral Resources. We concluded that this constituted an impairment indicator and undertook an assessment of the FVLCTD of the project. Using an approach of assessing comparable values of undeveloped Mineral Resources, we determined that no impairment would have been required had we not changed our accounting policy.

The reduction in the carrying value of our Pitarrilla project, as a result of our change in accounting policy, also caused the project's assets to fall below 10% of our total assets for all periods disclosed, and therefore, it is no longer an individual reporting segment. It is included within the exploration and evaluation properties segment for all periods disclosed in note 23.

(ii) Statement of cash flows presentation

We have changed the presentation of VAT recovered (paid) on the statements of cash flows from investing activities to operating activities to better reflect the nature of the activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iii) Adopted IFRS pronoucements

The following new and amended IFRS pronouncements were adopted during 2014:

Levies imposed by governments
International Financial Reporting Interpretations Committee's ("IFRIC") Interpretation 21, *Levies* ("IFRIC 21"), an interpretation of IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* ("IAS 37"), on the accounting for levies imposed by governments, was effective for annual periods beginning on January 1, 2014. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. This did not have any material impact on our current accounting for levies imposed by governments.

Impairment of assets
IAS 36, *Impairment of assets*, was amended to clarify disclosure requirements when a recoverable amount is determined based on FVLCTD. The amendment was effective for annual periods beginning on January 1, 2014 and we have adopted the amendment in note 10, which did not have a significant impact to the disclosure.

u) Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires the use of judgments and/or estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. Information about such judgments and estimation is contained in the accounting policies and/or notes to the consolidated financial statements, and the key areas are summarized below.

Areas of judgment that have the most significant effect on the amounts recognized in the consolidated financial statements are:

- Review of asset carrying values and impairment assessment;
- Mineral Reserves and Mineral Resources estimates;
- Determination of deferred stripping activities;
- Determination of useful lives of property, plant and equipment;
- Valuation of inventory;
- Close down and restoration provision;
- Deferred tax assets and liabilities;
- Functional currency;
- Contingencies; and
- Assessment of fair value of assets acquired in a business combination.

Key sources of estimation uncertainty that have the most significant effect on the amounts recognized in the consolidated financial statements are:

- Review of asset carrying values and impairment assessment;
- Mineral Reserves and Mineral Resources estimates;
- Valuation of inventory;
- Close down and restoration provision;

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- Determination of the fair values of share-based compensation;
- Valuation of financial instruments;
- Deferred tax assets and liabilities;
- Contingencies;
- Valuation of deferred consideration; and
- Assessment of fair value of assets acquired in a business combination.

Each of these judgments and estimates is considered in more detail below.

Review of asset carrying values and impairment assessment

Non-current assets
In accordance with our accounting policy (note 2(l)), each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If any such indicators exist, which is often judgment-based, a formal estimate of recoverable amount is performed and an impairment charge is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or CGU of assets is measured at the higher of FVLCTD or VIU.

The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information, including such factors as market and economic conditions, metal prices and forecasts, production budgets and forecasts, and life-of-mine estimates.

The determination of FVLCTD and VIU requires management to make estimates and assumptions about expected production, sales volumes, commodity prices, discount rates, Mineral Reserves, operating costs, taxes, close down and restoration costs and future capital expenditures. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be further impaired or the impairment charge reversed with the impact recorded in the consolidated statements of loss.

Financial instruments
At each reporting date, we conduct a review of our marketable securities and other financial instruments to determine whether there are any indications of impairment. This determination requires significant judgment. In making this judgment, we evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its carrying value; and the financial health of and business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow.

If the declines in fair value below carrying value are considered significant or prolonged, we will recognize a loss, being the transfer of the accumulated fair value adjustments recognized in other comprehensive income on the impaired available-for-sale financial assets to the consolidated statements of loss.

Mineral Reserves and Mineral Resources estimates We estimate Mineral Reserves and Mineral Resources based on information prepared by qualified persons as defined by NI 43-101. Mineral Reserves are used in the calculation of depreciation, amortization and impairment charges, for forecasting the timing of the payment of close down and restoration costs, and future taxes. In assessing the life of a mine for accounting purposes, Mineral Resources are only taken into account where there is a high degree of confidence of economic extraction. There are numerous uncertainties inherent in estimating Mineral Reserves, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of Mineral Reserves and may, ultimately, result in Mineral Reserves estimates being revised. Such changes in Mineral Reserves could impact on depreciation and amortization rates, asset carrying values and the provision for close down and restoration.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Determination of deferred stripping activities We determine whether stripping costs incurred during the production phase of a surface mining operation provide improved access to a component of an ore body that will be mined in a future period, and whether the costs can be reliably measured. We have to apply judgment when identifying components of the mine over which stripping costs are capitalized, in estimating the average stripping ratio for each component, and in using judgment to determine the period over which the SAA is amortized.

Determination of useful lives of property, plant and equipment We use the units-of-production method to depreciate mineral property expenditures, whereby depreciation is calculated using the quantity (either tonnes or ounces) of ore extracted from the mine in the period as a percentage of the total quantity of ore expected to be extracted in current and future periods based on Mineral Reserves. As noted above, there are numerous uncertainties inherent in estimating Mineral Reserves. Other assets are depreciated using the straight-line method, which includes significant management judgment to determine useful lives and residual values.

The carrying amounts of our mineral properties are depleted based on recoverable ounces contained in Proven and Probable Mineral Reserves. Changes to estimates of recoverable ounces and depletable costs including changes resulting from revisions to our mine plans and changes in metal price forecasts can result in a change to future depletion rates.

Valuation of inventory

Stockpiled ore and finished goods
Stockpiled ore and finished goods are valued at the lower of average cost and NRV. NRV is calculated as the estimated price at the time of sale based on prevailing and forecast metal prices less estimated future production costs to convert the inventory into saleable form and associated selling costs. The determination of forecast sales price, production and selling costs requires significant assumptions that may impact the stated value of our inventory.

Leach pad inventory
In determining the value of the leach pad, we make estimates of quantities and grades of ore stacked on leach pads and in-process, and the recoverable gold in this material to determine the total inventory. Changes in these estimates can result in a change in carrying amounts of inventory, as well as cost of sales.

Close down and restoration provision Close down and restoration costs are a consequence of exploration activities and mining, and the majority of close down and restoration costs are incurred near the end of the life of a mine. Our accounting policy requires the recognition of such provisions when the obligation occurs. The initial provisions are periodically reviewed during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations. Although the ultimate cost to be incurred is uncertain, we estimate our costs based on studies using current restoration standards and techniques. The initial closure provisions together with changes, other than those arising from the discount applied in establishing the net present value of the provision, are capitalized within property plant and equipment and depreciated over the lives of the assets to which they relate.

The ultimate magnitude of these costs is uncertain, and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites, local inflation rates and exchange rates when liabilities are anticipated to be settled in a currency other than the United States dollar. The expected timing of expenditure can also change, for example, in response to changes in Mineral Reserves, production rates or economic conditions. As a result there could be significant adjustments to the provision for close down and restoration, which would affect future financial results.

Determination of the fair value of share-based compensation The fair value of share options and other forms of share-based compensation granted is computed to determine the relevant charge to the consolidated statement of income. In order to compute this fair value, we use option pricing models that require management to make various estimates and assumptions in relation to the expected life of the awards, volatility, risk-free interest rates, and forfeiture rates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Valuation of financial instruments We are required to determine the valuation of our convertible notes (at inception), and the embedded derivatives within sales contracts. The convertible notes valuation required discounted cash flow analysis that involved various estimates and assumptions, whilst the valuation of the accounts receivable derivatives requires estimates of settlement dates and relies on market-based forward metal prices at those settlement dates.

Deferred tax assets and liabilities The determination of our tax expense for the period and deferred tax assets and liabilities involves significant estimation and judgment by management. In determining these amounts, we interpret tax legislation in a variety of jurisdictions and makes estimates of the expected timing of the reversal of deferred tax assets and liabilities. We also make estimates of future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessments by various taxation authorities, which may interpret legislation differently. These differences may affect the final amount or the timing of the payment of taxes. We provide for such differences where known based on our best estimate of the probable outcome of these matters.

Functional currency The determination of a subsidiary's functional currency often requires significant judgment where the primary economic environment in which the subsidiary operates may not be clear. This can have a significant impact on our consolidated results based on the foreign currency translation methods described in note 2(e).

Contingencies Contingencies can be either possible assets or liabilities arising from past events which, by their nature, will only be resolved when one or more future events not wholly within our control occur or fail to occur. The assessment of such contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In assessing loss contingencies related to legal, tax or regulatory proceedings that are pending against us or unasserted claims, that may result in such proceedings or regulatory or government actions that may negatively impact our business or operations, we evaluate with our legal counsel the perceived merits of any legal, tax or regulatory proceedings, unasserted claims or actions. Also evaluated are the perceived merits of the nature and amount of relief sought or expected to be sought, when determining the amount, if any, to recognize as a contingent liability or assessing the impact on the carrying value of assets. Contingent assets or liabilities are not recognized in the consolidated financial statements. In January 2015, we received a re-assessment from the Canada Revenue Agency ("CRA") for an amount of C$41,400,000. We have not provided for this amount as further described in note 11.

Deferred consideration In February 2014, we completed the sale of our 100% interest in the Challacollo project (note 9) of which a portion of sale consideration is deferred. The deferred consideration is dependent on various uncertain events and assumptions, including estimation of the year in which commercial production may be reached, the share price of Mandalay Resources Corporation ("Mandalay") for the deferred shares, and the price of silver for the deferred silver bullion. The fair value of the deferred consideration is determined by considering various scenarios of discounting the expected cash flows using a risk-adjusted discount rate and applying probability aspects to the cash flows.

Assessment of fair value of assets acquired in a business combination Judgment is required to determine whether we acquired a business under the definition of IFRS 3, *Business combinations* ("IFRS 3"), and also the acquisition date when we obtained control over the business, which was the date that consideration is transferred and when we assumed the assets and liabilities.

Business combinations are accounted for using the acquisition method whereby identifiable assets acquired and liabilities assumed, including contingent liabilities, are recorded at their fair values at the date of acquisition. The valuation of certain assets and liabilities requires significant management estimates and judgment. The value of the leach pad inventory requires an estimation of recoverable ounces, production profile, future metal prices and costs to complete the production process. Property, plant and equipment requires judgment over the appropriate fair value methodology to appraise the assets and various assumptions around estimated useful lives and current replacement costs. The mineral property valuation is based upon estimates of Mineral Reserves and Mineral Resources used in our life of mine plan, as well as estimates of future metal prices, production, operating and capital costs, and economic assumptions around inflation rates and discount rates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

v) Future accounting changes

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective. None of these is expected to have a significant effect on our consolidated financial statements, except the following set out below:

Operating segments
IFRS 8, *Operating segments* was amended to require disclosure of the judgments made by management in aggregating operating segments, including a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The amendment is effective for annual periods commencing on or after July 1, 2014.

Revenue from contracts with customers
The IASB has replaced IAS 18, *Revenue* in its entirety with IFRS 15 - *Revenue from contracts with customers* ("IFRS 15") which is intended to establish a new control-based revenue recognition model and change the basis for deciding whether revenue is to be recognized over time or at a point in time. IFRS 15 is effective for annual periods commencing on or after January 1, 2017. We are currently evaluating the impact the standard is expected to have on our consolidated financial statements.

IFRS 9, Financial Instruments: Classification and Measurement ("IFRS 9")
IFRS 9 as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but the complete version of *IFRS 9*, issued in July 2014, moved the mandatory effective date to January 1, 2018.

In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. We will quantify the effect in conjunction with the other phases, when the final standard, including all phases, is issued.

Amendments
Amendments to standards and interpretations include the following:

IFRS 7, *Financial instruments: Disclosure* ("IFRS 7"): IFRS 7 was amended to require additional disclosures on transition from IAS 39 to IFRS 9. IFRS 7 is effective on adoption of IFRS 9, which is effective for annual periods commencing on or after January 1, 2018.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on our consolidated financial statements.

3. PURCHASE OF MARIGOLD MINE

On April 4, 2014, we completed the acquisition of a 100% interest in the Marigold mine, an open pit operating gold mine in Nevada, U.S., from subsidiaries of Goldcorp Inc. and Barrick Gold Corporation for a purchase price of $267,732,000 after post-closing adjustments. The purchase price was paid in cash from our existing cash on hand.

The acquisition is a business combination and has been accounted for in accordance with the measurement and recognition provisions of IFRS 3. IFRS 3 requires that the purchase consideration be allocated to the assets acquired and liabilities assumed in a business combination based upon their estimated fair values at the date of acquisition.

3. PURCHASE OF MARIGOLD MINE (Cont'd)

The purchase price has been allocated to the underlying assets acquired and liabilities assumed based upon their estimated fair values at the date of acquisition. Fair values were determined based on third party appraisals, discounted cash flow models, and quoted market prices, as deemed appropriate. Acquisition costs, in the form of advisory, legal and other professional fees, which were associated with the transaction to acquire Marigold were expensed as incurred during the year in the amount of $5,395,000.

The following table shows the allocation of the purchase price to assets acquired and liabilities assumed, based on estimates of fair value, including a summary of major classes of consideration transferred, and the recognized amounts of assets acquired and liabilities assumed at the acquisition date:

	$
Purchase consideration	275,000
Working capital adjustment	(7,268)
Consideration	**267,732**
Trade receivables and other assets	5,162
Inventory	76,104
Mineral properties	50,823
Plant and equipment	157,880
Assets under construction	9,561
Trade and other payables	(17,067)
Close-down and restoration provision	(14,731)
Net identifiable assets acquired	**267,732**

Had the Marigold mine been consolidated from January 1, 2014, our consolidated revenue for 2014 would have been approximately $345,758,000 and our consolidated net loss for 2014 would have been $126,124,000.

4. CASH AND CASH EQUIVALENTS

	December 31, 2014	December 31, 2013	January 1, 2013
	$	$	$
Cash balances	**184,371**	342,201	183,636
Short-term investments	**272**	73,456	183,311
	184,643	415,657	366,947

5. TRADE RECEIVABLES AND OTHER ASSETS

	December 31, 2014	December 31, 2013	January 1, 2013
	$	$	$
Trade receivables	**26,529**	43,516	40,947
Tax receivables	**5,389**	13,969	2,632
Value added tax receivables (note 12)	**8,054**	5,915	32,796
Prepayments and deposits	**6,068**	4,853	6,967
Other receivables	**3,784**	994	112
	49,824	69,247	83,454

We expect full recovery of the trade receivables amounts outstanding and, therefore, no allowance has been recorded against these receivables. No trade receivables are past due and all are expected to be settled within twelve months.

Credit risk is further discussed in note 25(b). We do not hold any collateral for any receivable amounts outstanding at December 31, 2014, December 31, 2013, or January 1, 2013.

6. MARKETABLE SECURITIES

The movement in marketable securities during the years ended December 31, 2014 and 2013 are comprised of the following:

	December 31, 2014	December 31, 2013
	$	$
Balance, beginning of period	**129,267**	34,733
Additions (note 9(a) and (b))	**9,188**	170,395
Disposals at fair value	**(37,322)**	(788)
Fair value adjustments through profit and loss	**(10,060)**	(12,099)
Fair value adjustments through OCI	**22,699**	(54,964)
Foreign exchange adjustments	**(8,987)**	(8,010)
Balance, end of period	**104,785**	129,267

On May 10, 2013, we determined that we no longer held significant influence over Pretium Resources Inc. ("Pretium") following changes in the composition of the Board of Directors of Pretium and our shareholding percentage; therefore, equity accounting for our investment in Pretium was no longer applicable. This resulted in the derecognition of the carrying value of our investment in associate and the recognition of our shareholding at fair value as an available-for-sale financial asset. The fair value of the shares upon initial recognition was $144,777,000. The difference between the carrying value of the investment and the fair value of the shares was recorded in the consolidated statement of loss, resulting in a gain of $21,959,000 and a corresponding foreign exchange gain of $2,497,000. Subsequent changes in fair value after May 10, 2013 are recognized in other comprehensive income.

7. OTHER FINANCIAL ASSETS

	December 31, 2014		December 31, 2013		January 1, 2013	
	Current	**Non-current**	Current	Non-current	Current	Non-current
	$	**$**	$	$	$	$
Financial assets:						
Restricted cash [1]	**—**	**19,604**	—	1,983	—	1,847
Deferred consideration (note 9(a) and (b))	**19,443**	**1,954**	10,000	17,864	—	—
	19,443	**21,558**	10,000	19,847	—	1,847

[1] We have cash and security deposits in relation to our close down and restoration provisions of $12,104,000 and Argentine peso loan facility of $7,500,000 (note 15).

8. INVENTORY

	December 31, 2014	December 31, 2013	January 1, 2013
	$	$	$
Current:			
Finished goods	**25,221**	16,181	28,748
Stockpiled ore	**17,896**	18,918	26,318
Leach pad inventory	**56,250**	—	—
Materials and supplies	**29,861**	15,793	19,180
	129,228	50,892	74,246
Non-current inventory [1]	**4,326**	8,318	5,558
	133,554	59,210	79,804

[1] From time to time, we hold stockpiled ore and supplies that are expected to be used after one year, both of which are classified as non-current inventory. Non-current inventory consisted of stockpiled ore of $Nil (December 31, 2013 - $4,253,000; January 1, 2013 - $5,558,000) and materials and supplies of $4,326,000 (December 31, 2013 - $4,065,000; January 1, 2013 - $Nil).

As of December 31, 2014, it was determined that low grade stockpiles would not be processed given prevailing silver prices and were therefore written off. This resulted in a charge to cost of sales of $11,262,000 (note 19).

During the year ended December 31, 2013, we wrote-down stockpiled ore to its NRV, recording a charge of $12,193,000. The cost of inventory held at NRV at December 31, 2014 was $Nil (December 31, 2013 - $3,656,000; January 1, 2013 - $4,810,000).

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise the following:

	December 31, 2014				
	Plant and equipment (restated note 2(t))	**Assets under construction**	**Mineral properties (restated note 2(t))**	**Exploration and evaluation assets (restated note 2(t))**	**Total**
Cost					
Balance, January 1, 2014	288,701	10,337	34,160	60,076	**393,274**
Additions	3,126	20,493	43,487	4,283	**71,389**
Acquisition of Marigold (note 3)	157,880	9,561	50,823	—	**218,264**
Disposals	(7,860)	—	—	—	**(7,860)**
Costs written off	—	—	—	(145)	**(145)**
Change in estimate of close down and restoration provision	—	—	7,222	27	**7,249**
Impairment charges (note 10)	(22,835)	—	(17,415)	—	**(40,250)**
Transfers	20,403	(20,403)	—	—	**—**
Balance, end of period	439,415	19,988	118,277	64,241	**641,921**
Accumulated depreciation					
Balance, January 1, 2014	(119,553)	—	(25,084)	—	**(144,637)**
Charge for the year	(48,828)	—	(13,517)	—	**(62,345)**
Disposals	4,135	—	—	—	**4,135**
Balance, end of period	(164,246)	—	(38,601)	—	**(202,847)**
Net book value at December 31, 2014	**275,169**	**19,988**	**79,676**	**64,241**	**439,074**

	December 31, 2013				
	Plant and equipment (restated note 2(t))	Assets under construction	Mineral properties (restated note 2(t))	Exploration and evaluation assets (restated note 2(t))	Total
Cost					
Balance, January 1, 2013	323,278	18,791	141,092	57,140	540,301
Additions	1,553	28,085	27,188	5,313	62,139
Disposals and reclassifications [(1)]	(5,288)	—	—	(2,274)	(7,562)
Costs written off	—	—	—	(102)	(102)
Change in estimate of close down and restoration provision	—	—	939	(1)	938
Impairment charges (note 10)	(67,381)	—	(135,059)	—	(202,440)
Transfers	36,539	(36,539)	—	—	—
Balance, end of period	288,701	10,337	34,160	60,076	393,274
Accumulated depreciation					
Balance, January 1, 2013	(90,792)	—	(18,976)	—	(109,768)
Charge for the year	(31,921)	—	(6,108)	—	(38,029)
Disposals	3,160	—	—	—	3,160
Balance, end of period	(119,553)	—	(25,084)	—	(144,637)
Net book value at January 1, 2013	232,486	18,791	122,116	57,140	430,533
Net book value at December 31, 2013	169,148	10,337	9,076	60,076	248,637

(1) On December 19, 2013, we entered into an agreement to sell our 100% interest in the Challacollo project in Chile (note 9(a)). As such, the project was classified as held for sale at December 31, 2013 and removed from exploration and evaluation assets.

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

No items of property, plant and equipment have been pledged as security for liabilities.

(a) Challacollo agreement

On February 6, 2014, we completed the sale of our 100% interest in the Challacollo project located in Chile to Mandalay. Under the terms of the agreement, the total aggregate consideration was comprised of $7,500,000 in cash, 12,000,000 common shares of Mandalay with a fair value of $9,188,000 at closing, deferred consideration of 5,000,000 common of shares of Mandalay issued at the end of the first quarter in which commercial production has commenced, and cash equivalent of 240,000 ounces of silver paid in eight quarterly installments (based on the average quarterly silver price) beginning the quarter immediately following the quarter in which commercial production has commenced. In addition, we received a 2% net smelter return ("NSR") royalty on silver sales in excess of 36 million ounces, up to a maximum of $5,000,000 from the project. The fair value of consideration received was $18,644,000 and we recorded a gain on the sale of this mineral property of $15,913,000 before tax expense of $1,351,000. The deferred consideration is secured against the Challacollo mineral claims and the shares of the entity holding the Challacollo project.

During 2014, we sold all of the Mandalay shares received for proceeds of $9,279,000, recognizing a loss on disposal of $112,000.

(b) Sale of San Agustin

On December 30, 2013, we completed the sale of our 100% interest in the San Agustin project located in Mexico to Argonaut Gold Inc. ("Argonaut"). Under the terms of the agreement, we receive cash payments of $45,000,000 (of which $15,000,000 was received upon closing, $10,000,000 was received on May 5, 2014 and $20,000,000 is to be received on May 5, 2015), and 5,111,439 common shares of Argonaut with a fair value of $25,420,000 at closing. We also reserve the right to a 2% NSR royalty on sulphide ores processed from the project. After discounting the non-current cash payment, the total consideration was valued at $68,284,000 and we recorded, in 2013, a gain on the sale of this mineral property of $67,821,000 (restated note 2(t)) before tax expense of $16,264,000. We also paid VAT of $6,467,000 and received a corresponding cash amount from Argonaut. The deferred consideration is secured against the San Agustin mineral claims and technical information.

During 2014, we sold 3,630,000 shares of Argonaut under a hedging arrangement for proceeds of $16,789,000, recognizing a loss on disposal of $3,825,000 and gain on derivatives of $2,788,000.

10. IMPAIRMENT OF NON-CURRENT ASSETS

During the years ended December 31, 2014 and December 31, 2013, the book value of our net assets has exceeded our market capitalization, which was an indicator of potential impairment of the carrying value of our long-lived assets. In addition, metal prices have been volatile and silver has experienced a significant decline overall through this period. In 2014, silver prices were consistent until September 1 but thereafter declined significantly from $19.49/oz to $15.97/oz at December 31, 2014. There was a similar trend from the beginning of 2013 to the second quarter of 2013, as silver prices declined significantly from $30.87/oz to approximately $18.86/oz. As a result, at both December 31, 2014 and June 30, 2013, we assessed the recoverable amount of the Pirquitas mine, which has been identified as a CGU.

10. IMPAIRMENT OF NON-CURRENT ASSETS (Cont'd)

Impairment testing on the Pirquitas mine

In both impairment assessments, the recoverable amount of the Pirquitas mine was determined to be the FVLCTD, which is based upon the CGU's estimated future after-tax cash flows. The after-tax cash flows were determined based on life-of-mine ("LOM") after-tax cash flow projections, which incorporate our estimates of forecast metal prices, production based on current estimates of recoverable Mineral Reserves and Mineral Resources, exploration potential, future operating costs and capital expenditures, inflation, and long-term foreign exchange rates. Metal prices included in the cash flow projections were based on market consensus forecasts. Projected cash flows are discounted using an estimated weighted average cost of capital of a market participant adjusted for asset specific risks. Management's estimate of the FVLCTD is classified as level 3 in the fair value hierarchy (note 24).

Significant assumptions and impact

Pricing
For the December 31, 2014 ("Q4 2014") and June 30, 2013 ("Q2 2013") impairment assessments, the real silver metal price assumptions were as follows:

Silver price assumptions	2015	2016	2017	
Q4 2014	$17.50	$18.50	$19.00	

Silver price assumptions	H2 2013	2014	2015	2016	2017	Long-term price
Q2 2013	$22.99	$21.92	$22.58	$22.68	$21.95	$20.70

Inflation and foreign exchange
Argentina's current inflationary environment continues to be elevated with the Argentine peso experiencing significant devaluation. A key assumption in the Pirquitas mine's current LOM after-tax cash flow projections is that total operating costs increased by inflation would be largely offset by a devaluation of the Argentine peso. Should this assumption regarding the future macroeconomic situation in Argentina change, and sustained inflation continue, without a commensurate change in the foreign exchange rate, the estimated recoverable amount could be adversely impacted.

Discount rate
The pre-tax discount rate adjusted for asset specific risks used for the Q4 2014 impairment assessment was 10% (Q2 2013 - 10%).

At Q4 2014, the recoverable amount of $180,007,000 (Q2 2013 - $219,947,000) was lower than the carrying value of the CGU and therefore we recorded an impairment charge of $40,250,000 (Q2 2013 - $202,440,000) before tax, ($40,250,000 net of tax (Q2 2013 - $196,904,000)) against the carrying value of the Pirquitas mine and its plant and equipment.

Impairment testing on exploration and evaluation assets

Due to the aforementioned decline in silver prices, we re-assessed our core projects which resulted in the reclassification of Pitarrilla's Mineral Reserves to Mineral Resources. We concluded that this constituted an impairment indicator and undertook an assessment of the FVLCTD of the project. We completed an impairment assessment using an approach of assessing comparable values of undeveloped Mineral Resources. Our conclusion was that the FVLCTD exceeded the carrying value of approximately $0.06 per equivalent ounce of silver Mineral Resource, so no impairment charge was required (see note 2(t) for an assessment of the impact that the change in accounting policy had on our impairment assessment).

11. CURRENT AND DEFERRED INCOME TAX

Income tax expense (recovery) differs from the amount that would be computed by applying the Canadian statutory rate of 26% (2013: 25.75%) to income (loss) before income taxes. The reasons for the differences are as follows:

Years ended December 31	**2014**	2013 (restated note 2(t))
	$	$
(Loss) before taxes	**(95,815)**	(218,695)
Statutory tax rate	**26.00%**	25.75%
Expected income tax (recovery)	**(24,912)**	(56,314)
Increase (decrease) resulting from:		
Permanent differences	**(9,490)**	2,811
Foreign exchange	**(9,729)**	2,332
Differences in foreign and future tax rates	**(7,170)**	(22,737)
Differences in Canadian tax rates on capital items	**3,213**	(1,977)
Mining & overseas withholding tax	**11,650**	1,941
Adjustments in respect of prior years	**508**	3,570
Movement in deferred tax not recognized		
Movement in year	**8,102**	83,271
Additional movement in deferred tax not recognized due to reorganization	**59,525**	—
Other	**(1,119)**	(1,576)
Total income tax expense	**30,578**	11,321
Current tax expense	**10,631**	16,948
Deferred tax expense (recovery)	**19,947**	(5,627)
Total income tax expense	**30,578**	11,321

The applicable tax rate in Canada for the year ended December 31, 2014 was 26%, which reflects the legislated provincial tax rate increased from 25.0% to 26.0% on April 1, 2013.

Impairment of Pirquitas of $51,512,000 (including $40,250,000 relating to write-down of property, plant and equipment and $11,262,000 of write-off of inventory) gave rise to an increased deductible temporary difference with respect to Argentina assets of $51,512,000. However, any resulting deferred income tax asset was unrecognized according to IAS 12, *Income Taxes*, as the entity does not have evidence to prove that it will have taxable profit to utilize the deferred tax assets or any deferred tax liabilities required to be offset by the deferred tax assets in the foreseeable future.

During the year we completed a reorganization of the US entity that holds our Pirquitas mine through an Argentine branch. As a result of this reorganization this US entity will no longer be subject to US income tax. Consequently, the current year deferred tax balances relating to Pirquitas arise from the Argentine branch itself, whereas the comparative 2013 deferred tax balances relate to the US entity. Accordingly, the previously recognized deferred tax asset comprised of the foreign tax credit ($12,040,000 arising from Argentine withholding tax paid on interest in 2013) has been derecognized. The reorganization has resulted in a reduction to the unrecognized deferred tax asset relating to Pirquitas of $47,485,000. Accordingly, the total movement in the unrecognized deferred tax assets relating to the reorganization of the US entity is equal to $59,525,000. Argentine withholding tax paid on interest results in current tax expense of $5,250,000 for 2014.

11. CURRENT AND DEFERRED INCOME TAX (Cont'd)

In the normal course of business we are subject to assessment by taxation authorities in various jurisdictions. These authorities may have different interpretations of tax legislation or tax agreements than those applied by us in computing current and future income taxes. These different interpretations may alter the timing or amounts of taxable income or deductions. The final amounts of taxes to be paid or recovered depends on a number of factors including the outcome of audits, appeals and negotiation. We provide for potential differences in interpretation based a best estimate of the probable outcome of these matters. Changes in these estimates could result in material adjustments to our current and future income taxes.

The tax effected items that give rise to significant portions of the deferred income tax assets and deferred income tax liabilities for the years ended December 31, 2014 and 2013 are presented below:

				Balance as at December 31, 2014		
	Net balance at January 1, 2014 (restated note 2(t))	**Recognized in statement of loss**	**Recognized in OCI**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
	$	**$**	**$**	**$**	**$**	**$**
Marketable securities	**(10,767)**	**2,145**	**(2,115)**	**(10,737)**	**—**	**(10,737)**
Inventory	**1,114**	**(3,075)**	**—**	**(1,961)**	**786**	**(2,747)**
Property, plant and equipment	**(61,937)**	**7,066**	**—**	**(54,871)**	**—**	**(54,871)**
Close down and restoration provision	**4,143**	**(257)**	**—**	**3,886**	**8,790**	**(4,904)**
Convertible notes	**(9,431)**	**1,185**	**—**	**(8,246)**	**—**	**(8,246)**
Carry forward tax loss and tax credits	**60,010**	**(24,890)**	**—**	**35,120**	**35,120**	**—**
Mining and foreign withholding tax	**7,097**	**(16,824)**	**—**	**(9,727)**	**—**	**(9,727)**
Other	**2,783**	**14,702**	**—**	**17,485**	**17,485**	**—**
Net deferred tax (liabilities) assets before set-off	**(6,988)**	**(19,948)**	**(2,115)**	**(29,051)**	**62,181**	**(91,232)**
Set-off tax	**—**	**—**	**—**	**—**	**(62,181)**	**62,181**
Net deferred tax (liabilities)	**(6,988)**	**(19,948)**	**(2,115)**	**(29,051)**	**—**	**(29,051)**

					Balance as at December 31, 2013 (restated note 2(t))		
	Net balance at January 1, 2013 (restated note 2(t))	Recognized in statement of loss (restated note 2(t))	Recognized in OCI	Recognized in equity	Net	Deferred tax assets	Deferred tax liabilities
	$	$	$	$	$	$	$
Marketable securities	(15,800)	(2,446)	7,479	—	(10,767)	—	(10,767)
Inventory	9,410	(8,296)	—	—	1,114	1,114	—
Property, plant and equipment	(51,110)	(10,827)	—	—	(61,937)	1,214	(63,151)
Close down and restoration provision	12,780	(8,637)	—	—	4,143	4,143	—
Convertible notes	—	(54)	—	(9,377)	(9,431)	—	(9,431)
Carry forward tax loss and tax credits	21,478	38,532	—	—	60,010	60,010	—
Mining and foreign withholding tax	—	7,097	—	—	7,097	12,040	(4,943)
Other	12,538	(9,742)	—	(13)	2,783	2,783	—
Net deferred tax (liabilities) assets before set-off	(10,704)	5,627	7,479	(9,390)	(6,988)	81,304	(88,292)
Set-off tax	—	—	—	—	—	(69,263)	69,263
Net deferred tax (liabilities)	(10,704)	5,627	7,479	(9,390)	(6,988)	12,041	(19,029)

11. CURRENT AND DEFERRED INCOME TAX (Cont'd)

As at December 31, 2014, there was a deferred tax liability of $78,697,000 (December 31, 2013 - $78,218,000) for temporary differences of $262,322,000 (December 31, 2013 - $260,727,000) related to investments in subsidiaries. However, this liability was not recognized because we control the dividend policy of our subsidiaries (i.e. we control the timing of reversal of the related taxable temporary differences and we are satisfied that they will not reverse in the foreseeable future).

We recognize tax benefits on losses or other deductible amounts generated in countries where the probable criteria for the recognition of deferred tax assets has been met. Our unrecognized deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following amounts:

Years ended December 31	**2014**	2013
		(restated note 2(t))
	$	$
Inventory	**15,455**	—
Property, plant and equipment	**152,883**	343,619
Close down and restoration provision	**36,267**	12,065
Carry forward tax loss and tax credits	**178,094**	10,500
Other items	**21,290**	25,605
Unrecognized deductible temporary differences	**403,989**	391,789

At December 31, 2014, we had the following estimated tax operating losses available to reduce future taxable income, including both losses for which deferred tax assets are utilized to offset applicable deferred tax liabilities and losses for which deferred tax assets are not recognized as listed in the table above. Losses expire at various dates and amounts between 2014 and 2033, with the exception of losses incurred in Chile which are available indefinitely.

As at December 31, 2014	**$**
Argentina	**225,733**
Mexico	**88,931**
Peru	**168**
Canada	**3,868**
U.S.A.	**9,480**

Canada Revenue Agency ("CRA") Reassessment

On January 27, 2015, we received a Notice of Reassessment ("NOR") from the CRA in the amount of approximately C$41,400,000 plus interest of C$6,580,000 related to the tax treatment of the 2010 sale of shares of our subsidiary that owned and operated the Snowfield and Brucejack projects. The CRA has asserted that the sale was on account of income and not capital, as we recorded it. Our management strongly disagrees with the CRA's position in the reassessment and we plan on filing a Notice of Objection and, if necessary, a Notice of Appeal to the Tax Court of Canada. In order to appeal the reassessment, we are required to make a minimum payment of 50% of the reassessed amount claimed by the CRA under the NOR plus interest accrued to the date of the NOR.

Although the outcome of this matter cannot be predicted with certainty, we intend to contest the matter vigorously, and believe we will ultimately prevail based on the merits of our position. At this time we have not recognized an income tax provision for this amount. However, we will continue to evaluate our tax provisions as the matter progresses through appeals and, if necessary, the litigation process. If the CRA's position is ultimately sustained, it would have a material impact on earnings and financial resources in the period that the matter is ultimately resolved.

12. VALUE ADDED TAX RECEIVABLE

	December 31, 2014	December 31, 2013	January 1, 2013
	$	$	$
Current (note 5)	**8,054**	5,915	32,796
Non-current	**29,473**	62,423	37,363
	37,527	68,338	70,159

Value added tax ("VAT") paid in Argentina in relation to the Pirquitas mine became recoverable under Argentina law once the mine reached the production stage and we apply to the Argentina government to recover the applicable VAT on an ongoing basis. There have, at times, been significant delays in obtaining final approvals and, therefore, the collection of VAT and the classification reflects best estimates of timing of recoveries. Despite the procedural delays, we believe that the remaining balance is fully recoverable and have not provided an allowance, as discussed further in note 25(b).

The VAT receivables balance in Argentina is denominated in Argentine peso. Accordingly, foreign currency fluctuations could materially impact the value of the VAT receivables in U.S. dollars, as discussed further in note 25(a)(ii).

13. TRADE AND OTHER PAYABLES

Trade payables and accrued liabilities are comprised of the following items:

	December 31, 2014	December 31, 2013	January 1, 2013
	$	$	$
Trade payables	**23,552**	11,014	16,757
Accrued liabilities	**28,909**	15,204	22,753
Value added tax payable (note 9(b))	**—**	6,467	—
Income taxes payable	**1,028**	15,885	532
Accrued interest on convertible notes (note 15)	**3,156**	3,157	2,093
	56,645	51,727	42,135

14. CURRENT PROVISIONS

Current provisions are comprised of the following items:

	December 31, 2014	December 31, 2013	January 1, 2013
	$	$	$
Export duties on silver concentrate [(1)]	**56,058**	48,169	35,009
Current portion of close down and restoration provision (note 16)	**4,245**	4,228	1,864
	60,303	52,397	36,873

(1) We entered into a fiscal stability agreement (the "Fiscal Agreement") with the Federal Government of Argentina in 1998 for production from the Pirquitas mine. In December 2007, the National Customs Authority of Argentina (Dirección Nacional de Aduanas) levied an export duty of approximately 10% from concentrates for projects with fiscal stability agreements pre-dating 2002 and the Federal Government has asserted that the Pirquitas mine is subject to this export duty. We have challenged the legality of the export duty applied to silver concentrates and the matter is currently under review by the Federal Court (Jujuy) in Argentina.

The Federal Court (Jujuy) granted an injunction in our favor effective September 29, 2010 that prohibited the Federal Government from withholding the 10% export duty on silver concentrates (the "Injunction"), pending the decision of the courts with respect to our challenge of the legality of the application of the export duty. The Injunction was appealed by the Federal Government but upheld by each of the Federal Court of Appeal (Salta) on December 5, 2012 and the Federal Supreme Court of Argentina on September 17, 2013. The Federal Government also appealed the refund we claimed for the export duties paid before the Injunction, as well as matters of procedure related to the uncertainty of the amount reclaimed; however, on May 3, 2013, such appeal was dismissed by the Federal Court of Appeal (Salta). In September 2014, the Federal Tax Authority in Argentina filed an application with the Federal Court (Jujuy) to lift the Injunction and require payment of the export duty and payment of applied interest charges. We filed a response to such application on October 14, 2014 and a decision is pending.

As of December 31, 2014, we have paid $6,646,000 in export duties, against which we have filed for recovery. In accordance with the Injunction, we have not been paying export duties on silver concentrates but continue to accrue export duties, with no accrual for interest charges, and have recorded a corresponding increase in cost of sales in the relevant period. The application of interest charges is uncertain, but if applied from the date each duty was levied and based on current U.S. dollar rates, is estimated to be in the range of $4.0 million to $6.5 million. The final amount of export duties and interest, if any, to be paid or refunded depends on a number of factors including the outcome of litigation. Changes in our assessment of this matter could result in material adjustments to our consolidated statement of loss.

15. DEBT

(a) Current debt

Current debt is comprised of the following items:

	December 31, 2014	December 31, 2013	January 1, 2013
	$	$	$
Loan facility [(1)]	**5,922**	—	—
Convertible notes	**—**	—	135,805
	5,922	—	135,805

[(1)] During 2014, we entered into an Argentine peso-denominated loan facility of an equivalent amount of $7,500,000 at an interest rate determined at time of draw. In 2014 and at December 31, 2014, the Argentine peso equivalent of $5,922,000 had been drawn on this facility at an Argentina peso interest rate of 29.3% per annum and a maturity date of January 29, 2015, which was subsequently extended for a further six months. The facility is secured by $7,500,000 of restricted cash.

In February 2008, we sold $138,000,000 in senior convertible unsecured notes ("2008 Notes") for net proceeds of $132,754,000 after payment of commissions and expenses related to the offering. The 2008 Notes bore an interest rate of 4.5% per annum, payable semi-annually. The 2008 Notes would have been convertible into our common shares at a fixed conversion price of approximately $43.33, subject to certain anti-dilution adjustments.

Holders of the 2008 Notes had the right to require us to repurchase all or part of their 2008 Notes at specified dates and exercised this right on March 1, 2013. The repurchase price was equal to 100% of the principal amount of the 2008 Notes being converted, plus accrued and unpaid interest to the repurchase date, which was paid in cash.

The 2008 Notes contained an embedded derivative due to the fact that if the holder had elected to exercise their conversion option, we would have the option to settle in either cash or common shares. Therefore, a derivative liability was recognized as FVTPL, and re-measured at each reporting period. As at January 1, 2013, we determined that the fair value of the derivative liability was $Nil due to the time to maturity and conversion price of $43.33, and therefore, no further gains or losses were recognized through to repurchase on March 1, 2013.

The debt portion had been designated as an 'other financial liability' so that it was recorded at amortized cost, net of transaction costs, and was accreted over an expected life of 5 years until March 2013 using the effective interest method. At January 1, 2013, it was classified as a current liability due to expected redemption in March 2013.

The movement in the debt portion of the 2008 Notes during 2013 comprised the following:

	$
Principal	135,805
Accrued interest (note 13)	2,093
Balance, January 1, 2013	137,898
Accretion of discount	2,195
Interest accrued	1,012
Interest paid	(3,105)
Repayment of 2008 Notes	(138,000)
Balance, December 31, 2013	—

15. DEBT (Cont'd)

(b) Non-current debt

On January 16, 2013, we sold $265,000,000 of senior convertible unsecured notes (the "2013 Notes") for net proceeds of $256,083,000 after payment of commissions and expenses related to the offering. The 2013 Notes mature on February 1, 2033 and bear an interest rate of 2.875% per annum, payable semi-annually in arrears on February 1 and August 1 of each year. The 2013 Notes are convertible into our common shares at a fixed conversion rate, subject to certain anti-dilution adjustments. In addition, if certain fundamental changes occur to us, holders of the 2013 Notes may be entitled to an increased conversion rate. The 2013 Notes are convertible into our common shares at an initial conversion rate of 50 common shares per $1,000 principal amount of 2013 Notes converted, representing an initial conversion price of $20.00 per common share.

We may not redeem the 2013 Notes before February 1, 2018, except in the event of certain changes in Canadian tax law. At any time on or after February 1, 2018, but before February 1, 2020, we may redeem all or part of the 2013 Notes for cash, but only if the last reported sale price of our common shares for 20 or more trading days in a period of 30 consecutive trading days exceeds 130% of the conversion price. On or after February 1, 2020, we may redeem the 2013 Notes in full or in part, for cash.

Holders of the 2013 Notes have the right to require us to repurchase all or part of their 2013 Notes on February 1 of each of 2020, 2023 and 2028, or upon certain fundamental corporate changes. The repurchase price will be equal to 100% of the principal amount of the 2013 Notes being converted, plus accrued and unpaid interest to the repurchase date.

At initial recognition, the net proceeds of the 2013 Notes were bifurcated into their debt and equity components. The fair value of the debt portion of $178,358,000 was estimated using a discounted cash flow model method based on an expected life of seven years and a discount rate of 8.5%. The residual of $77,723,000 ($68,347,000 net of deferred tax) was allocated to equity. The 2013 Notes had a fair value of $185,831,000 as at December 31, 2014.

The debt portion has been designated as an 'other financial liability' and is recorded at amortized cost, net of transaction costs, and is accreted over the expected life using the effective interest method.

The movement in the debt portion of the 2013 Notes during the years ended December 31, 2014 and 2013 are comprised of the following:

	December 31, 2014	December 31, 2013
	$	$
Balance, beginning of period	**190,287**	—
Debt portion of net proceeds	**—**	178,358
Accretion of discount	**10,003**	8,772
Interest accrued in period	**7,619**	7,262
Interest paid	**(7,619)**	(4,105)
Balance, end of period	**200,290**	190,287
Accrued interest outstanding (note 13)	**(3,156)**	(3,157)
Non-current portion of 2013 Notes outstanding	**197,134**	187,130

16. CLOSE DOWN AND RESTORATION PROVISION

	December 31, 2014	December 31, 2013
	$	$
Balance, January 1	**37,201**	33,086
Provision from acquisition of Marigold mine (note 3)	**14,731**	—
Liabilities settled during the year	**(1,839)**	(941)
Accretion expense	**3,640**	3,671
Foreign exchange gain	**(113)**	(29)
Revisions and new estimated cash flows	**8,570**	1,414
Balance, December 31	**62,190**	37,201
Less: current portion of close down and restoration provision in trade and other payables	**(4,245)**	(4,228)
Non-current close down and restoration provision	**57,945**	32,973

Our close down and restoration provision relates to the restoration and closure of our mining operations and exploration and evaluation assets (note 9). The provision is initially recorded at present value, and subsequently re-measured at each reporting period. During the year ended December 31, 2014, our estimate for our close down and restoration provision increased by $8,570,000 due to changes in discount rates, certain economic assumptions and cash flow estimates. In particular, the provision for Marigold was increased by $7,222,000 following the initial fair value acquired, as provisions must exclude an assessment of our own credit risk, estimates of expected cash flows were unchanged.

The provision is calculated as the present value of estimated future net cash outflows based on the following key assumptions:

- Discount interest rates: ranging from 2.5% to 9.9% (2013 - 8.5% to 9.9%); and
- Settlement of obligations expected to occur over the next 16 years.

A 1% change in the discount rate would increase or decrease the provision by approximately $2,200,000.

17. SHARE CAPITAL AND SHARE-BASED PAYMENTS

(a) Authorized capital

We have unlimited authorized common shares with no par value.

(b) Stock options

We have an incentive plan, approved by our shareholders, under which options to purchase common shares may be granted to directors, officers, employees and others at the discretion of the Board of Directors. The plan provides for the issuance of incentive options to acquire up to a total of 6% of our issued and outstanding common shares. The exercise price of each option is set at the date of grant and shall not be less than the closing market price of our stock on the award date. The options can be granted for a maximum term of 10 years with vesting provisions determined by the Board of Directors. Currently, the vesting periods range up to three years, and the term is seven years. New shares from treasury are issued on the exercise of stock options.

17. SHARE CAPITAL AND SHARE-BASED PAYMENTS (Cont'd)

The changes in stock options issued during the years ended December 31, 2014 and December 31, 2013 are as follows:

Years ended December 31	2014		2013	
	Number of stock options	**Weighted average exercise price (C$/option)**	Number of stock options	Weighted average exercise price (C$/option)
Outstanding, January 1	**1,754,944**	**16.05**	2,023,563	20.49
Granted	**1,016,578**	**8.07**	680,150	11.87
Exercised	**—**	**—**	(6,667)	(11.50)
Expired	**(74,246)**	**(14.14)**	(225,498)	(30.32)
Forfeited	**(320,211)**	**(16.19)**	(716,604)	(20.17)
Outstanding, December 31	**2,377,065**	**12.68**	1,754,944	16.05

During the year ended December 31, 2014, options granted to officers, employees, directors and other eligible persons had exercise prices ranging from C$6.48 to C$11.18 (December 31, 2013 – C$9.50 to C$12.99) and expiry dates ranging from January 1, 2021 to December 1, 2021.

As of December 31, 2014, incentive stock options constitute 2.9% (2013 – 2.2%) of issued and outstanding common capital. The aggregate intrinsic value of vested share options (market value less exercise price) at December 31, 2014 and December 31, 2013 was $Nil.

The weighted average fair value of stock options granted during the year ended December 31, 2014 and year ended December 31, 2013 were estimated to be C$3.39 and C$5.17 per stock option, respectively, at the grant date using the Black-Scholes option pricing model, using the following assumptions:

Years ended December 31	**2014**	2013
Forfeiture rate (%)	**3.0**	3.0
Dividend yield (%)	**0.0**	0.0
Average risk-free interest rate (%)	**1.56**	1.34
Expected life (years)	**4.2**	4.2
Volatility (%)	**52.1**	55.4

Option pricing models require the input of highly subjective assumptions. The expected life of the options considered such factors as the average length of time similar option grants in the past have remained outstanding prior to exercise and the vesting period of the grants. Volatility was estimated based upon historical price observations over the expected term. Changes in the subjective input assumptions can materially affect the estimated fair value of the options.

The weighted average share price, at the date of grant, of stock options granted in 2014 was C$8.00 (2013 - C$11.68).

There was no exercise of stock options in 2014. The weighted average share price at the date of the exercise of stock options in 2013 was C$13.15.

17. SHARE CAPITAL AND SHARE-BASED PAYMENTS (Cont'd)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2014:

	Stock options outstanding		Stock options exercisable	
	Stock options outstanding	**Weighted average remaining contractual life (years)**	**Stock options exercisable**	**Weighted average exercise price (C$/option)**
Exercise prices (C$)				
6.48 – 8.44	**765,978**	**6.2**	**—**	**—**
8.45 – 12.34	**414,334**	**5.7**	**79,664**	**10.25**
12.35 – 16.40	**409,186**	**4.8**	**172,936**	**14.00**
16.41 – 28.78	**787,567**	**5.0**	**737,567**	**18.59**
	2,377,065	**5.5**	**990,167**	**17.11**

(c) Deferred Share Units

Non-executive directors may elect to receive all or a portion of their annual compensation in the form of DSUs which are linked to the value of our common shares. DSUs are issued on a quarterly basis under the terms of the DSU Plan, at the market value of our common shares at the date of grant. The DSUs vest immediately and are redeemable in cash on the date the director ceases to be our director.

Years ended December 31	**2014**	2013
	Number of DSUs	Number of DSUs
Outstanding, January 1	**251,019**	150,117
Granted	**106,486**	100,902
Redeemed	**(21,825)**	—
Outstanding, December 31	**335,680**	251,019

The DSUs granted in the year ended December 31, 2014 had a fair value of C$8.32 per unit (2013 - C$8.45). DSUs settled in the year ended December 31, 2014 were settled at a fair value of C$6.35 per unit (2013 - C$Nil). The DSUs are cash-settled instruments and, therefore, the fair value of the outstanding DSUs at the end of each reporting period is recognized as an accrued liability with the associated compensation cost recorded in general and administrative expenses. As at December 31, 2014, the weighted average fair value was C$5.83 per unit (December 31, 2013 - C$7.37 per unit).

At December 31, 2014, an accrued liability of $1,687,000 (2013 - $1,739,000) was outstanding. For the year ended December 31, 2014, a share-based payment expense of $234,000 (2013 - $396,000 recovery) was recorded.

17. SHARE CAPITAL AND SHARE-BASED PAYMENTS (Cont'd)

(d) Restricted Share Units

RSUs are granted to employees based on the value of our share price at the date of grant. The awards have a graded vesting schedule over a three-year period. During 2014, the terms of the plan were amended to provide the directors the discretion to elect to settle the units in either cash or shares. They were previously only cash-settled immediately upon vesting.

To date, all RSUs have been cash-settled and, therefore, are recognized as a liability, with fair value remeasurement at each reporting period. The associated compensation cost is recorded in general and administrative expenses unless directly attributable to our operations, whereby it is included in cost of inventory, or exploration projects.

Years ended December 31	**2014**	2013
	Number of RSUs	Number of RSUs
Outstanding, January 1	**129,498**	141,810
Granted	**297,480**	118,300
Settled	**(53,905)**	(53,286)
Forfeited	**(42,659)**	(77,326)
Outstanding, December 31	**330,414**	129,498

The RSUs granted in the year ended December 31, 2014 had a weighted average fair value of C$9.41 per unit (2013 - C$10.27 per unit). RSUs settled in the year ended December 31, 2014 were settled at a fair value of C$11.02 per unit (2013 - C$9.92). As at December 31, 2014, the weighted average fair value was C$5.83 per unit (December 31, 2013 - C$7.37 per unit).

At December 31, 2014, an accrued liability of $888,000 (2013 - $476,000) on services received was outstanding. For the year ended December 31, 2014, a share-based payment expense of $419,000 (2013 - $374,000 recovery) was recorded.

(e) Performance Share Units

PSUs are granted to senior executives, and vest after a performance period of three years. During 2011, in addition to a normal annual grant there was also a one-off grant of transitional PSUs, which vested after a two-year performance period. The vesting of these awards is based on our total shareholder return in comparison to our peer group, and awards vested range from 0% to 200% of initial PSUs granted. During 2014, the terms of the plan were amended to provide the directors the discretion to elect to settle the PSUs in either cash or shares. They were previously only cash-settled immediately upon vesting.

To date, all PSUs have been cash-settled and, therefore, are recognized as a liability, with fair value remeasurement at each reporting period. The associated compensation cost is recorded in general and administrative expenses.

Years ended December 31	**2014**	2013
	Number of PSUs	Number of PSUs
Outstanding, January 1	**177,729**	201,220
Granted	**253,600**	137,500
Settled	**(24,903)**	(46,700)
Forfeited	**(58,524)**	(114,291)
Outstanding, December 31	**347,902**	177,729

17. SHARE CAPITAL AND SHARE-BASED PAYMENTS (Cont'd)

The PSUs granted in the year ended December 31, 2014 had a weighted average fair value of C$7.37 per unit (2013 - C$12.99 per unit). PSUs settled in the year ended December 31, 2014 were settled at a fair value of C$5.48 per unit (December 31, 2013 - C$10.00). As at December 31, 2014, the weighted average fair value was C$5.44 per unit (2013 - C$7.37 per unit).

At December 31, 2014, an accrued liability of $707,000 (2013 - $589,000) on services received was outstanding. For the year ended December 31, 2014, a share-based payment expense of $293,000 (2013 - $103,000 recovery) was recorded.

(f) Share-based compensation

Total share-based compensation, including all equity and cash-settled arrangements, for the years ended December 31, 2014 and 2013 has been recognized in the consolidated financial statements as follows:

Years ended December 31	**2014**	2013
	$	$
Equity-settled		
Cost of inventory	**26**	—
General and administrative expense	**2,141**	1,001
Property, plant and equipment	**(107)**	189
Cash-settled		
Cost of inventory	**393**	38
General and administrative expense (recovery)	**946**	(873)
Property, plant and equipment	**28**	217
Total	**3,427**	572

18. OTHER RESERVES

	2014	2013 (restated note 2(t))
	$	$
Foreign currency translation reserve		
At January 1	**745**	788
Parent company, subsidiary companies' and associate currency translation adjustments	**35**	(293)
Currency translation adjustments recycled to net income on derecognition of investment in associate	**—**	250
At December 31	**780**	745
Available-for-sale revaluation reserves		
At January 1	**(44,348)**	9,646
Unrealized gains (losses) on available-for-sale securities	**14,122**	(61,578)
Deferred income tax (expense) recovery	**(2,311)**	7,522
Realized loss of marketable securities recycled to net income, net of tax	**2,258**	62
At December 31	**(30,279)**	(44,348)
Transactions with non-controlling interests		
At January 1	**(28,198)**	(28,198)
At December 31	**(28,198)**	(28,198)
Share-based compensation reserve		
At January 1	**42,914**	41,780
Stock options exercised	**—**	(56)
Share-based compensation	**2,060**	1,190
At December 31	**44,974**	42,914
Total other reserves at December 31	**(12,723)**	**(28,887)**

19. OPERATING COSTS BY NATURE

a) Cost of sales

Years ended December 31	2014	2013
	$	$
Cost of inventory	**200,539**	100,555
Depletion, depreciation and amortization	**41,401**	41,808
Export duties (note 14)	**10,720**	14,946
Write-down of stockpiles (note 8)	**11,262**	12,193
	263,922	169,502

b) General and administrative expenses

Years ended December 31	2014	2013
	$	$
Salaries and benefits	**11,096**	13,214
Consulting and professional fees	**2,867**	5,058
Share-based compensation	**3,087**	128
Travel expense	**870**	960
Computer expenses	**849**	606
Insurance expense	**824**	769
Rent expense	**744**	928
Shareholder and investor relations	**389**	409
Depreciation and amortization	**365**	375
Directors fees and expenses	**319**	199
Listing and filing fees	**204**	283
Other expenses	**248**	512
	21,862	23,441

c) Restructuring costs

During 2013, we incurred restructuring costs of $2,928,000 which are recorded in general and administrative expenses as salaries and benefits and $1,468,000 in cost of inventory. No restructuring costs were incurred during 2014.

20. FINANCE INCOME AND EXPENSES

a) Interest earned and other finance income

Years ended December 31	2014	2013
	$	$
Interest earned	**1,458**	6,180
Realized gain on derivatives (note 9(b))	**2,788**	—
Accretion income on deferred consideration	**1,579**	—
Total interest earned and other finance income	**5,825**	6,180

b) Interest expense and other finance expenses

Years ended December 31	2014	2013
	$	$
Interest expense on convertible notes (note 15)	**(7,619)**	(8,274)
Accretion expense on convertible notes (note 15)	**(10,003)**	(10,967)
Accretion of close down and restoration provision (note 16)	**(3,640)**	(3,671)
Finance expenses on sale of VAT and disposal of marketable securities	**(3,462)**	—
Other finance expenses	**(1,688)**	(180)
Total interest expense and other finance expenses	**(26,412)**	(23,092)

21. OTHER INCOME (OTHER EXPENSES)

Years ended December 31	2014	2013
		(restated note 2(t))
	$	$
Unrealized (loss) on marketable securities [1, 2]	**(6,208)**	(13,050)
(Loss) on sale of marketable securities	**(5,219)**	47
(Loss) on disposal of fixed assets	**(1,791)**	—
Write-down of exploration and evaluation assets (note 9)	**(145)**	(102)
Dividend income	**166**	178
Write-down of assets held for sale	**—**	(3,875)
Gain on dilution of associate	**—**	2,112
Share of net (loss) of associate	**—**	(1,033)
Other (expense) income	**(244)**	202
	(13,441)	(15,521)

(1) During 2014, we recorded unrealized gains and losses on previously impaired marketable securities and marketable securities classified as FVTPL.

(2) In 2013, we recorded impairment on marketable securities, due to a significant decline in share price, resulting in a realized loss of $13,050,000. This was offset by a $47,000 gain on disposal of marketable securities.

22. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share for the years ended December 31, 2014 and 2013 are based on the following:

Years ended December 31	**2014**	2013
		(restated note 2(t))
(Loss) used in the calculation of diluted (loss) earnings per share	**($126,393)**	($230,016)
Weighted average number of common shares issued (thousands)	**80,754**	80,754
Adjustments for dilutive instruments:		
Stock options (thousands)	**—**	—
Weighted average number of common shares for diluted (loss) earnings per share (thousands)	**80,754**	80,754
Basic (loss) earnings per share	**($1.57)**	($2.85)
Diluted (loss) earnings per share	**($1.57)**	($2.85)

As we incurred a net loss during the years ended December 31, 2014 and 2013, basic and diluted loss per share are the same because the exercise of options and convertible notes are anti-dilutive.

23. OPERATING SEGMENTS

We are a resource company focused on the operation, development, exploration and acquisition of precious metal projects in the Americas.

An operating segment is defined as a component:

- that engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- for which discrete financial information is available.

We have identified operating segments based on the information used by our President and Chief Executive Officer (who is considered to be the chief operating decision maker) to manage the business. We primarily manage our business by looking at individual resource projects and typically segregate these projects between production, development and exploration.

For reporting purposes, exploration and development projects have been aggregated into a single reportable segment where they all have similar characteristics and do not exceed the quantitative thresholds for individual disclosure.

Our two operating properties, the Pirquitas mine and Marigold mine, are considered as individual operating segments which derive their revenues from the sale of silver, zinc, and gold. The corporate division earns income that is considered incidental to our activities and therefore does not meet the definition of an operating segment. Consequently, the following reporting segments have been identified:

- Pirquitas mine;
- Marigold mine; and
- Exploration and evaluation properties.

23. OPERATING SEGMENTS (Cont'd)

The following is a summary of the reported amounts of income or loss, and the carrying amounts of assets and liabilities by operating segment:

Year ended and at December 31, 2014	**Pirquitas mine**	**Marigold mine**	**Exploration and evaluation properties**	**Other reconciling items [i]**	**Total**
	$	**$**	**$**	**$**	**$**
Revenue	**141,193**	**158,929**	**—**	**—**	**300,122**
Cost of inventory	**(92,663)**	**(107,876)**	**—**	**—**	**(200,539)**
Depletion, depreciation and amortization	**(29,184)**	**(12,217)**	**—**	**—**	**(41,401)**
Export duties	**(10,720)**	**—**	**—**	**—**	**(10,720)**
Write-down of stockpiles	**(11,262)**				**(11,262)**
Cost of sales	**(143,829)**	**(120,093)**	**—**	**—**	**(263,922)**
(Loss) income from mine operations	**(2,636)**	**38,836**	**—**	**—**	**36,200**
Exploration, evaluation and reclamation expenses	**(1,425)**	**(4,128)**	**(15,637)**	**—**	**(21,190)**
Impairment charge	**(40,250)**	**—**	**—**	**—**	**(40,250)**
Operating (loss) income	**(45,374)**	**36,493**	**(15,655)**	**(27,961)**	**(52,497)**
Write-down of assets	**—**	**—**	**(145)**	**—**	**(145)**
(Loss) income before income tax	**(72,839)**	**23,950**	**(9,019)**	**(37,907)**	**(95,815)**
Interest income and other finance income	**1,355**	**6**	**1,589**	**2,875**	**5,825**
Interest expense and other finance costs	**(6,671)**	**(459)**	**(92)**	**(19,190)**	**(26,412)**
Income tax (expense) recovery	**(17,290)**	**(10,995)**	**(3,582)**	**1,289**	**(30,578)**
Total assets	**245,819**	**343,411**	**121,241**	**275,778**	**986,249**
Non-current assets	**140,856**	**240,893**	**90,981**	**21,701**	**494,431**
Total liabilities	**(121,191)**	**(45,401)**	**(13,723)**	**(226,684)**	**(406,999)**

Year ended and at December 31, 2013	Pirquitas mine	Marigold mine	Exploration and evaluation properties (restated note 2(t))	Other reconciling items [i]	Total (restated note 2(t))
	$	$	$	$	$
Revenue	174,686	—	—	—	174,686
Cost of inventory	(112,748)	—	—	—	(112,748)
Depletion, depreciation and amortization	(41,808)	—	—	—	(41,808)
Export duties	(14,946)	—	—	—	(14,946)
Cost of sales	(169,502)	—	—	—	(169,502)
Income from mine operations	5,184	—	—	—	5,184
Exploration, evaluation and reclamation expenses	(2,205)	—	(21,252)	—	(23,457)
Impairment charge	(202,440)	—	—	—	(202,440)
Operating income (loss)	(203,076)	—	(20,664)	(20,414)	(244,154)
Write-down of assets	—	—	(102)	(3,875)	(3,977)
Income (loss) before income tax	(233,821)	—	44,696	(29,570)	(218,695)
Interest income and other finance income	4,907	—	—	1,273	6,180
Interest expense and other finance costs	(3,658)	—	(94)	(19,340)	(23,092)
Income tax recovery (expense)	8,374	—	(21,476)	1,781	(11,321)
Total assets	383,978	—	154,259	494,498	1,032,735
Non-current assets	241,739	—	107,672	1,855	351,266
Total liabilities	(106,118)	—	(33,916)	(203,222)	(343,256)

23. OPERATING SEGMENTS (Cont'd)

At January 1, 2013	Pirquitas mine	Marigold mine	Exploration and evaluation properties (restated note 2(t))	Other reconciling items [(i)]	Total (restated note 2(t))
	$	$	$	$	$
Total assets	614,244	—	122,702	430,785	1,167,731
Non-current assets	394,020	—	86,923	121,064	602,007
Total liabilities	(99,995)	—	(2,368)	(161,450)	(263,813)

(1) Other reconciling items refer to items that are not reported as part of segment performance as they are managed on a corporate basis.

Segment revenue by product

Years ended December 31	**2014**	2013
	%	%
Silver	**39**	91
Gold	**53**	—
Zinc	**7**	9
Other	**1**	—

Segment revenue by location and major customers

Our Pirquitas mine sales are made to external customers located in various geographical areas. For the Pirquitas mine segment, we had five customers who individually accounted for between 11% and 22% of total revenue during 2014, and four customers who individually accounted for between 17% and 23% of total revenue during 2013. Marigold mine's principal product is gold doré with the refined gold bullion sold to one customer.

Non-current assets by location

	December 31, 2014	December 31, 2013	January 1, 2013
		(restated note 2(t))	(restated note 2(t))
	$	$	$
United States	**242,013**	12,743	415
Argentina	**145,273**	239,002	403,014
Mexico	**72,967**	84,398	61,508
Canada	**22,277**	3,109	122,318
Peru	**11,901**	12,014	12,222
Chile	**—**	—	2,530
Total	**494,431**	351,266	602,007

24. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Our financial instruments include cash and cash equivalents, trade receivables and other assets, marketable securities, other financial assets, trade and other payables, and convertible notes.

a) Financial assets and liabilities by category

At December 31, 2014	Loans and receivables	FVTPL	Available-for-sale	Other financial liabilities	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents (note 4)	**184,643**	**—**	**—**	**—**	**184,643**
Trade receivables and other assets[1]	**3,784**	**26,529**	**—**	**—**	**30,313**
Marketable securities (note 6)	**—**	**2,337**	**102,448**	**—**	**104,785**
Other financial assets (note 7)[2]	**39,047**	**1,954**	**—**	**—**	**41,001**
Total financial assets	**227,474**	**30,820**	**102,448**	**—**	**360,742**
Financial liabilities					
Trade and other payables	**—**	**3,281**	**—**	**52,336**	**55,617**
Current provisions (note 14)	**—**	**—**	**—**	**56,058**	**56,058**
Current debt (note 15(a))	**—**	**—**	**—**	**5,922**	**5,922**
Debt (note 15(b))[3]	**—**	**—**	**—**	**197,134**	**197,134**
Total financial liabilities	**—**	**3,281**	**—**	**311,450**	**314,731**

At December 31, 2013	Loans and receivables	FVTPL	Available-for-sale	Other financial liabilities	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents (note 4)	415,657	—	—	—	415,657
Trade receivables and other assets[1]	994	43,516	—	—	44,510
Marketable securities (note 6)	—	25,567	103,700	—	129,267
Other financial assets (note 7)[2]	29,847	—	—	—	29,847
Total financial assets	446,498	69,083	103,700	—	619,281
Financial liabilities					
Trade and other payables	**—**	2,805	—	26,570	29,375
Current provisions (note 14)	**—**	—	—	48,169	48,169
Debt (note 15(b))[3]	**—**	—	—	187,130	187,130
Total financial liabilities	—	2,805	—	261,869	264,674

24. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Cont'd)

At January 1, 2013	Loans and receivables	FVTPL	Available-for-sale	Other financial liabilities	Total
	$	$	$	$	$
Financial assets					
Cash and cash equivalents (note 4)	366,947	—	—	—	366,947
Trade receivables and other assets [1]	112	40,947	—	—	41,059
Marketable securities (note 6)	—	—	34,733	—	34,733
Other financial assets (note 7)	1,847	—	—	—	1,847
Total financial assets	368,906	40,947	34,733	—	444,586
Financial liabilities					
Trade and other payables	—	4,633	—	36,969	41,602
Current provisions (note 14)	—	—	—	35,009	35,009
Current debt (note 15(a)) [3]	—	—	—	135,805	135,805
Total financial liabilities	—	4,633	—	207,783	212,416

(1) Certain trade receivables and other assets are classified as FVTPL due to the embedded derivative identified through provisional pricing arrangements discussed in note 2(f).

(2) Other financial assets include deferred consideration received from sale of the San Agustin project discussed in note 9(b).

(3) The debt portion of the convertible notes is designated as an other financial liability.

b) Fair value of financial instruments

	December 31, 2014		December 31, 2013		January 1, 2013	
	Carrying value	**Fair value**	Carrying value	Fair value	Carrying value	Fair value
	$	**$**	$	$	$	$
Financial assets						
Trade receivables and other assets	**30,313**	**30,313**	44,510	44,510	41,059	41,059
Marketable securities (note 6)	**104,785**	**104,785**	129,267	129,267	34,733	34,733
Other financial assets (note 7)	**41,001**	**41,001**	29,847	29,847	1,847	1,847
Total financial assets	**176,099**	**176,099**	203,624	203,624	77,639	77,639
Financial liabilities						
Current provisions (note 14)	**56,058**	**56,058**	48,169	48,169	35,009	35,009
Current debt (note 15(a))	**5,922**	**5,922**	—	—	135,805	138,000
Debt (note 15(b)) [1]	**197,134**	**185,831**	187,130	191,487	—	—
Total financial liabilities	**259,114**	**247,811**	235,299	239,656	170,814	173,009

(1) The fair value of the convertible notes includes both the debt and equity components.

The carrying values of cash and cash equivalents and trade and other payables, approximate their fair values due to their short maturity.

24. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Cont'd)

Fair value hierarchy

Assets and liabilities that are held at fair value are categorized based on a valuation hierarchy which is determined by the valuation methodology utilized:

	Fair value at December 31, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Trade receivables and other assets	**—**	**26,529**	**—**	**26,529**
Marketable securities (note 6)	**104,785**	**—**	**—**	**104,785**
Other financial assets	**—**	**—**	**1,954**	**1,954**
Trade and other payables	**—**	**3,281**	**—**	**3,281**
Current debt (note 15(a))	**—**	**5,922**	**—**	**5,922**
	104,785	**35,732**	**1,954**	**142,471**
Non-recurring measurements				
Property, plant and equipment	**—**	**—**	**180,007**	**180,007**
	—	**—**	**180,007**	**180,007**
Fair values disclosed				
Debt (note 15(b))	**185,831**	**—**	**—**	**185,831**
	185,831	**—**	**—**	**185,831**

	Fair value at December 31, 2013			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Recurring measurements				
Trade receivables and other assets	—	43,516	—	43,516
Marketable securities (note 6)	103,700	25,567	—	129,267
Trade and other payables	—	2,805	—	2,805
	103,700	71,888	—	175,588
Non-recurring measurements				
Assets held for sale	—	—	3,876	3,876
Property, plant and equipment	—	—	222,169	222,169
	—	—	226,045	226,045
Fair values disclosed				
Debt (note 15(b))	191,487	—	—	191,487
	191,487	—	—	191,487

24. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Cont'd)

	Fair value at January 1, 2013			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Recurring measurements				
Trade receivables and other assets	—	40,947	—	40,947
Marketable securities (note 6)	34,733	—	—	34,733
Trade and other payables	—	4,633	—	4,633
	34,733	45,580	—	80,313
Fair values disclosed				
Current debt (note 15(a))	138,000	—	—	138,000
	138,000	—	—	138,000

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Marketable securities, consisting of available-for-sale investments with no trading restrictions are valued using a market approach based upon unadjusted quoted prices in an active market obtained from securities exchanges. The fair value disclosed for the 2008 Notes and the 2013 Notes is also included in Level 1, as the basis of valuation uses a quoted price in an active market.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Marketable securities with certain trading restrictions are included in Level 2, as are trade receivables from provisional invoices for concentrate sales and the Argentine peso loan facility, as the basis of valuation uses quoted commodity prices. During 2014, we transferred the full amount of the marketable securities in Level 2 to Level 1 as the trading restrictions on them were removed.

Accrued liabilities relating to DSUs, RSUs, and PSUs are included in Level 2, as the basis of valuation uses quoted prices in active markets.

Level 3 – inputs for an asset or liability that are not based on observable market data (unobservable inputs)

During the year ended December 31, 2014 and 2013, the Pirquitas Mine CGU was written down to its recoverable amount. During the year ended December 31, 2013, certain assets held for sale were also written down to their recoverable amounts. The recoverable amounts became the carrying values and will not be revalued, but certain assumptions used in the calculation of the recoverable amounts are categorized as Level 3 in the fair value hierarchy (note 10).

The deferred consideration from the sale of the Challacollo project (note 9(a)) is included in Level 3, as certain assumptions used in the calculation of the fair value are not based on observable market data as detailed in note 2(q)(ii).

There were no transfers into or out of Level 3 during 2014 or 2013.

25. FINANCIAL RISK MANAGEMENT

We are exposed to a variety of financial risks as a result of our operations, including market risk (which includes price risk, currency risk and interest rate risk), credit risk and liquidity risk. Our overall risk management strategy seeks to reduce potential adverse effects on our financial performance. Risk management is carried out under policies approved by our Board of Directors.

We may, from time to time, use foreign exchange contracts, commodity price contracts, equity hedges and interest rate swaps to manage our exposure to fluctuations in market prices, foreign currency, metal and energy prices, marketable security values and interest rates. We do not have a regular practice of trading derivatives. In the past, our use of derivatives was limited to specific programs to manage fluctuations in foreign exchange and marketable securities risks, which were subject to the oversight of our Board of Directors.

The risks associated with our financial instruments and the policies on how we mitigate those risks are set out below. This is not intended to be a comprehensive discussion of all risks.

a) Market Risk

This is the risk that the fair values of financial instruments will fluctuate owing to changes in market prices. The significant market risks to which we are exposed are price risk, currency risk and interest rate risk.

(i) Price Risk

This is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market prices. Income from mine operations in the next year depends on the metal prices for gold, silver, and to a lesser extent, zinc. These prices are affected by numerous factors that are outside of our control such as:

- global or regional consumption patterns;
- the supply of, and demand for, these metals;
- speculative activities;
- the availability and costs of metal substitutes;
- inflation; and
- political and economic conditions, including interest rates and currency values.

The principal financial instrument we hold that is are impacted by commodity prices is the embedded derivative within our silver and zinc concentrate trade receivables. The majority of these sales agreements are subject to pricing terms that settle within one to three months after delivery of concentrate and this adjustment period represents our trade receivable exposure to variations in commodity prices.

We have not hedged the price of any precious metal as part of our overall corporate strategy.

A 10% increase in the silver and zinc prices as at December 31, 2014 and December 31, 2013, with all other variables held constant, would have resulted in the following impact to our trade receivables and after-tax net income:

	2014	2013
	$	$
10% increase in silver price	**1,958**	1,814
10% increase in zinc price	**275**	272

As we do not have trade receivables for gold sales, movements in gold prices will not impact the value of any financial instruments.

25. FINANCIAL RISK MANAGEMENT (Cont'd)

The costs relating to our production activities vary depending on market prices on certain mining consumables including diesel fuel and electricity. A 10% increase in diesel fuel market prices would have resulted in a $1,409,000 decrease in our after-tax net income for the year ended December 31, 2014. We have not hedged any commodity prices as at December 31, 2014.

We hold certain investments in marketable securities which are measured at fair value, being the closing price of each equity investment at the balance sheet date. We are exposed to changes in share prices which would result in gains and losses being recognized in total comprehensive income. A 10% change in prices would have a $10,479,000 impact on total comprehensive income at December 31, 2014 (December 31, 2013 - $12,927,000). During 2014, we entered into hedging arrangements over certain securities that resulted in derivative gains of $2,788,000. No such arrangements were outstanding as at December 31, 2014.

(ii) Currency Risk

Currency risk is the risk that the fair values or future cash flows of our financial instruments and VAT receivables will fluctuate because of changes in foreign currency rates. Our financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as the functional currency of the entity that holds them; exchange gains and losses in these situations impact earnings.

The following are the most significant areas of exposure to currency risk, shown in thousands of U.S. dollars:

	December 31, 2014			
	Canadian dollar	**Argentine peso**	**Australian dollar**	**Mexican peso**
Cash	13,333	6,383	4,653	1,405
Marketable securities	102,933	—	1,852	—
Value added tax receivable	95	35,259	—	2,367
Trade and other payables (excluding VAT and income taxes)	(8,780)	(17,985)	—	(4)
Current debt	—	(5,922)	—	—
Total	**107,581**	**17,735**	**6,505**	**3,768**

	December 31, 2013			
	Canadian dollar	Argentine peso	Australian dollar	Mexican peso
Cash	7,881	20,751	4,983	8,007
Marketable securities	126,428	—	2,839	—
Value added tax receivable	67	64,816	—	3,412
Trade and other payables (excluding VAT and income taxes)	(7,387)	(13,606)	—	(1,618)
Valued added tax payable	—	—	—	(6,467)
Income taxes payable	—	—	—	(15,885)
Total	126,989	71,961	7,822	(12,551)

We monitor and manage this risk with the objective of ensuring our company-wide exposure to negative fluctuations in currencies against the U.S. dollar is managed. As at December 31, 2014 we have not entered into any derivatives to mitigate this risk.

25. FINANCIAL RISK MANAGEMENT (Cont'd)

The Argentine government requires the repatriation of export revenues into Argentina and, where cash flows exceed our current cash repatriation schedule, this results in an increase to our Argentine peso cash balance. In Argentina, the official Argentine peso exchange rate published is significantly lower than the parallel market rate (also referred to as the Blue rate). We use the official Argentine peso exchange rate for all re-measurement purposes which is consistent with the economic reality that foreign currency transactions entered into or paid out of Argentina are required to be converted at the official exchange rate. A sudden devaluation of the Argentine peso to a rate closer to the parallel rate would materially impact the value of our Argentine peso-denominated cash and VAT receivables in U.S. dollar terms, but would improve our operating costs in U.S. dollar terms, all else being equal. We are actively seeking ways to mitigate the risk on our cash balance of a devaluation of the Argentine peso, and therefore, we are repatriating cash from Argentina under a fixed schedule of debt repayments and have entered into an Argentina peso loan facility.

In early 2014, the Argentine peso saw a significant devaluation as the government reduced intervention and relaxed capital controls, although since that time the peso has reverted to a steady devaluation against the U.S. dollar. In 2014, the Argentine peso devalued 31% compared to 33% in 2013. The devaluation reduced the value of our Argentine peso-denominated assets, principally cash and VAT receivables, and decreased Argentina peso-denominated liabilities, principally accounts payable, when expressed in U.S. dollar terms.

A 10% increase in the U.S. dollar exchange rate on financial assets and liabilities denominated in the following currencies, with all other variables held constant, would have resulted in the following impact to our total comprehensive income for the years ended December 31, 2014 and December 31, 2013:

Years ended December 31	**2014**	2013
	$	$
Canadian dollar	**(7,988)**	(9,422)
Argentine peso	**(1,183)**	(4,826)
Australian dollar	**(456)**	(547)
Mexican peso	**(265)**	873

(iii) Interest Rate Risk

Interest rate risk is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises from the interest rate impact on our cash and cash equivalents and Argentine peso-denominated loan facility because these are the only financial instruments we hold that are impacted by interest based on variable market interest rates. The 2013 Notes have fixed interest rates and are not exposed to fluctuations in interest rates; a change in interest rates would impact the fair value of the instruments, but because we record the 2013 Notes at amortized cost there would be no impact on our financial results. We monitor our exposure to interest rates closely and have not entered into any derivative contracts to manage our risk.

As at December 31, 2014, the weighted average interest rate earned on our U.S. dollar cash and cash equivalents was 0.30% (2013 - 0.32%). With other variables unchanged, a 1% change in the annualized interest rate would impact after-tax net income by $1,363,000 (2013 - $3,292,000).

b) Credit Risk

Credit risk is the risk that a third party might fail to discharge its obligations under the terms of a financial contract. Our credit risk is limited to the following instruments:

Credit risk related to financial institutions and cash deposits Under our investment policy, investments are made only in highly-rated financial institutions, and corporate and government securities. We diversify our holdings and consider the risk of loss associated with investments to be low.

25. FINANCIAL RISK MANAGEMENT (Cont'd)

Credit risk related to trade receivables We are exposed to credit risk through our trade receivables on concentrate sales, which are principally with internationally-recognized counterparties. Payments of receivables are scheduled, routine and received within a contractually agreed time frame. We manage this risk by requiring provisional payments of at least 75% of the value of the concentrate shipped and through utilizing multiple counterparties.

Credit risk related to other financial assets All other receivable balances are expected to be collectible in full due to the nature of the counterparties and/or a previous history of collectability. Deferred consideration is also expected to be collectible in full and is also secured against the San Agustin mineral claims and technical information, and the Challacollo mineral claims and shares of the entity holding the Challacollo project (note 9).

We also have credit risk through our significant VAT tax receivables balance that is collectible from the government of Argentina. The balance is expected to be recoverable in full, however due to legislative rules and the complex collection process, a significant portion of the asset is classified as non-current until government approval of the recovery claim is approved.

Our maximum exposure to credit risk as at December 31, 2014 and December 31, 2013 was as follows:

	December 31, 2014	December 31, 2013
	$	$
Cash and cash equivalents	**184,643**	415,657
Value added tax receivable	**37,527**	68,338
Trade receivables and other assets	**30,313**	44,510
Other financial assets	**41,001**	29,847
	293,484	558,352

At December 31, 2014, no amounts were held as collateral except those discussed above in credit risk related to other financial assets.

c) Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our obligations under our financial instruments as they fall due. We manage our liquidity risk through a rigorous planning and budgeting process, which is reviewed and updated on a regular basis, to help determine the funding requirements to support our current operations, expansion and development plans, and by managing our capital structure as described in note 25(d). Our objective is to ensure that there are sufficient committed financial resources to meet our business requirements for a minimum of twelve months.

Argentine government regulation of U.S. dollar inflows and outflows restricts the ability to repatriate cash generated by the Pirquitas mine although we repatriate cash from Argentina under a fixed schedule of debt repayments, which has an impact on overall corporate liquidity.

In order to manage our corporate liquidity, we use surety bonds to support certain environmental bonding obligations. As at December 31, 2014, we had surety bonds totaling $17,750,000 (December 31, 2013 - $Nil). In addition, we have $30,131,000 of letters of credit supporting environmental obligations which are backed by a mixture of cash and other forms of credit.

25. FINANCIAL RISK MANAGEMENT (Cont'd)

In the normal course of business, we enter into contracts that give rise to commitments for future minimum payments. The following is a maturity profile of financial liabilities and operating and capital commitments presenting contractual undiscounted cash flows:

	Payments due by period (as at December 31, 2014)					At December 31, 2013
Contractual obligations	**Less than one year**	**1 - 3 years**	**4-5 years**	**After 5 years**	**Total**	Total
	$	$	$	$	$	$
Trade and other payables	**55,617**	**—**	**—**	**—**	**55,617**	35,841
Current provisions	**56,058**	**—**	**—**	**—**	**56,058**	48,169
Current debt	**5,922**	**—**	**—**	**—**	**5,922**	—
Convertible notes [(i)]	**—**	**—**	**265,000**	**—**	**265,000**	265,000
Interest on convertible notes [(i)]	**7,619**	**22,856**	**11,428**	**—**	**41,903**	49,522
Capital expenditure commitments	**2,596**	**—**	**—**	**—**	**2,596**	6,164
Minimum lease rental and lease payments	**412**	**1,481**	**383**	**—**	**2,276**	2,907
Total contractual obligations	**128,224**	**24,337**	**276,811**	**—**	**429,372**	407,603

[(i)] The 2013 Notes mature in 2033 but are redeemable in part or in full at the option of the holder on February 1 at each of 2020, 2023, and 2028, or upon fundamental corporate changes. They are also redeemable by us in part or in full on and after February 1, 2018. The 2013 Notes bear interest of 2.875% per annum and are convertible into common shares upon specified events at a fixed conversion price of approximately $20.00 per common share (note 15).

In our opinion, working capital at December 31, 2014 together with future cash flows from operations are sufficient to support our commitments through 2015.

d) Capital management

Our objectives when managing capital are:

- to safeguard our ability to continue as a going concern in order to develop and operate our current projects and pursue strategic growth initiatives;
- to maintain a flexible capital structure which lowers the cost of capital.

In assessing our capital structure, we include in our assessment the components of shareholders' equity and convertible notes. In order to facilitate the management of capital requirements, we prepare annual expenditure budgets and continuously monitor and review actual and forecasted cash flows. The annual and updated budgets are monitored and approved by the Board of Directors.

To maintain or adjust the capital structure, we may, from time to time, issue new shares, issue new debt, repay debt or dispose of non-core assets. We expect our current capital resources will be sufficient to carry out our exploration plans and support operations through the current operating period.

Our 2013 Notes (note 15) do not contain any financial covenants. Accordingly, as of December 31, 2014, there were no externally-imposed capital requirements.

26. RELATED PARTY TRANSACTIONS

a) Key management compensation

Key management includes our directors (executive and non-executive) and other key officers, including the CEO, CFO and Senior Vice President. The compensation paid or payable to key management for employee services is shown below:

Years ended December 31	**2014**	2013
	$	$
Salaries and other short-term employee benefits	**2,880**	2,600
Post-employment benefits	**22**	21
Termination benefits	**—**	1,370
Share-based compensation [(i)]	**2,808**	1,704
Total compensation	**5,710**	**5,695**

[(i)] Share-based compensation includes mark-to-market adjustments on cumulative DSU positions as reported in the consolidated statements of income.

b) Principal Subsidiaries

The consolidated financial statements include our accounts and the accounts of our wholly-owned subsidiaries, the most significant as at December 31, 2014 of which are presented in the following table:

Subsidiary	**Location**	**Ownership**	**Principal project**
Pacific Rim Mining Corporation Argentina S.A.	Argentina	100%	Diablillos
Silver Standard Durango, S.A. de C.V.	Mexico	100%	Pitarrilla
Silver Standard Exploraciones, S.A. de C.V.	Mexico	100%	Veta Colorada
Silver Standard Mexico, S.A. de C.V.	Mexico	100%	Nazas
Reliant Ventures S.A.C.	Peru	100%	San Luis
Sociedad Minera Berenguela S.A.	Peru	100%	Berenguela
Candelaria Mining Company	USA (Delaware)	100%	Candelaria
Marigold Mining Company	USA (Nevada)	100%	Marigold
Maverick Silver Inc.	USA (Nevada)	100% [(1)]	Maverick Springs
Mina Pirquitas, LLC	USA (Delaware)	100%	Pirquitas

[(1)] The Maverick Springs project is held in a joint venture in which we have a 55% interest, representing all of the silver resources hosted in the project.

27. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital items during the year ended December 31, 2014 and 2013 are as follows:

Years ended December 31	**2014**	2013
	$	$
Trade receivables and other assets	**14,561**	(2,922)
Inventory	**3,376**	1,555
Trade and other payables	**(1,773)**	3,619
Current provisions	**7,202**	11,590
	23,366	13,842

During the years ended December 31, 2014 and 2013, we conducted the following non-cash investing and financing transactions:

Years ended December 31	**2014**	2013
	$	$
Shares received for sale of mineral property (note 9)	**9,188**	25,420
Deferred consideration received for sale of mineral property (note 9(a))	**1,954**	—
Transfer of share-based payment reserve upon exercise of stock options	**—**	(56)

Mine Safety Information Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act

The following table shows, for the Company's U.S. mine for which the Company is an operator and that is subject to the Federal Mine Safety and Health Act of 1977 (the "Mine Act") and administered by the U.S. Labor Department's Mine Safety and Health Administration ("MSHA"), the information required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd−Frank Act"). Section references below are to sections of the Mine Act.

	Year Ended December 31, 2014									
Mine or Operation[1]:	**Total # of "Significant and Substantial" Violations Under §104[2]**	**Total # of Orders Issued Under §104(b)[3]**	**Total # of Citations and Orders Issued Under §104(d)[4]**	**Total # of Flagrant Violations Under §110(b)(2)[5]**	**Total # of Imminent Danger Orders Under §107(a)[6]**	**Total Amount of Proposed Assessments from MSHA under the Mine Act[7]**	**Total # of Mining-Related Fatalities[8]**	**Pending Legal Actions as of Last Day of 2014[9]**	**Legal Actions Instituted During 2014[10]**	**Legal Actions Resolved During 2014[11]**
Marigold Mine (MSHA ID# 2602081)	1	0	0	0	0	$1,000	0	0	0	0

1 MSHA assigns an identification number to each mine or operation and may or may not assign separate identification numbers to related facilities.

2 Represents the total number of citations issued by MSHA under Section 104 of the Mine Act for violations of health or safety standards that could significantly and substantially contribute to a serious injury if left unabated.

3 Represents the total number of orders issued under Section 104(b) of the Mine Act, which represents a failure to abate a citation under Section 104(a) of the Mine Act within the period prescribed by MSHA. This results in an order of immediate withdrawal from the area of the mine affected by the condition until MSHA determines the violation has been abated.

4 Represents the total number of citations and orders issued by MSHA under Section 104(d) of the Mine Act for unwarrantable failure to comply with mandatory health or safety standards.

5 Represents the total number of flagrant violations identified by MSHA under Section 110(b)(2) of the Mine Act.

6 Represents the total number of imminent danger orders issued under Section 107(a) of the Mine Act.

7 Amounts represent the total United States dollar value of proposed assessments received from MSHA during the year ended December 31, 2014.

8 Represents the total number of mining-related fatalities at mines subject to the Mine Act pursuant to Section 1503(a)(1)(G) of the Dodd−Frank Act.

9 Represents the total number of legal actions pending as of the last day of 2014 before the Federal Mine Safety and Health Review Commission as required by Section 1503(a) of the Dodd−Frank Act.

10 Represents the total number of legal actions instituted during 2014 before the Federal Mine Safety and Health Review Commission as required by Section 1503(a) of the Dodd−Frank Act.

11 Represents the total number of legal actions resolved during 2014 before the Federal Mine Safety and Health Review Commission as required by Section 1503(a) of the Dodd−Frank Act.

In addition, as required by the reporting requirements regarding mine safety included in Section 1503(a)(2) of the Dodd−Frank Act, for the year ended December 31, 2014, the Company's U.S. mine for which the Company is an operator has not received written notice from MSHA of:

(a) a pattern of violations of mandatory health or safety standards that are of such nature as could have significantly and substantially contributed to the cause and effect of coal or other mine health or safety hazards under Section 104(e) of the Mine Act; or

(b) the potential to have such a pattern.

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John Smith, certify that:

1. I have reviewed this annual report on Form 40-F of Silver Standard Resources Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Dated: March 24, 2015

/s/ John Smith

John Smith
President and Chief Executive Officer

CERTIFICATION PURSUANT TO RULE 13a-14 OR 15d-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory J. Martin, certify that:

1. I have reviewed this annual report on Form 40-F of Silver Standard Resources Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Dated: March 24, 2015

/s/ Gregory J. Martin

Gregory J. Martin
Senior Vice President and
Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Silver Standard Resources Inc. (the "Company") on Form 40-F for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John Smith, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ John Smith*

John Smith
President and Chief Executive Officer

Dated: March 24, 2015

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report of Silver Standard Resources Inc. (the "Company") on Form 40-F for the year ended December 31, 2014, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gregory J. Martin, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Gregory J. Martin*

Gregory J. Martin
Senior Vice President and Chief Financial Officer

Dated: March 24, 2015

Consent of Independent Auditor

We hereby consent to the inclusion in the Annual Report on Form 40-F for the year ended December 31, 2014 of Silver Standard Resources Inc. ("Silver Standard"), filed with the United States Securities and Exchange Commission, of our report dated February 19, 2015, relating to the consolidated financial statements, comprising the consolidated statements of financial position as at December 31, 2014, December 31, 2013 and January 1, 2013 and the consolidated statements of loss, comprehensive loss, changes in shareholders' equity and cash flows for the years ended December 31, 2014 and December 31, 2013; and the effectiveness of internal control over financial reporting, which appears in the Annual Report.

We also consent to the incorporation by reference in the Registration Statement on Form S-8 (Nos. 333-185498, 333-196116 and 333-198092) of Silver Standard of our report dated February 19, 2015 referred to above.

/s/ PricewaterhouseCoopers LLP
Chartered Accountants
Vancouver, British Columbia
March 24, 2015

PricewaterhouseCoopers LLP

PricewaterhouseCoopers Place, 250 Howe Street, Suite 700, Vancouver, British Columbia, Canada V6C 3S7

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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Bruce Butcher, P.Eng., and the information that I reviewed and approved, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ Bruce Butcher
Bruce Butcher, P.Eng.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, F. Carl Edmunds, P.Geo., and the information that I reviewed and approved, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ F. Carl Edmunds
F. Carl Edmunds, P.Geo.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Trevor J. Yeomans, ACSM, P.Eng., and reports, NI 43-101 Technical Report on the Pirquitas Mine, Jujuy Province, Argentina dated December 23, 2011, and NI 43-101 Technical Report on the Marigold Mine, Humboldt County, Nevada dated November 19, 2014 (the "**Reports**"), and the information contained in the Reports that I prepared, or reviewed and approved, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ Trevor J. Yeomans
Trevor J. Yeomans, ACSM, P.Eng.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, James N. Carver, SME Registered Member, and report, NI 43-101 Technical Report on the Marigold Mine, Humboldt County, Nevada dated November 19, 2014 (the "**Report**"), and the information contained in my Report, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ James N. Carver
James N. Carver, SME Registered Member

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Karthik Rathnam, MAusIMM (CP), and report, NI 43-101 Technical Report on the Marigold Mine, Humboldt County, Nevada dated November 19, 2014 (the "**Report**"), and the information contained in my Report, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ Karthik Rathnam
Karthik Rathnam, MAusIMM (CP)

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Thomas Rice, SME Registered Member, and report, NI 43-101 Technical Report on the Marigold Mine, Humboldt County, Nevada dated November 19, 2014 (the "**Report**"), and the information contained in my Report, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ Thomas Rice
Thomas Rice, SME Registered Member

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Warwick S. Board, P.Geo., and report, NI 43-101 Technical Report on the Pirquitas Mine, Jujuy Province, Argentina dated December 23, 2011 (the "**Report**"), and the information contained in my Report, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ Warwick S. Board
Warwick S. Board, P.Geo

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, R. Bruce Kennedy, P.E., and report, NI 43-101 Technical Report on the Pirquitas Mine, Jujuy Province, Argentina dated December 23, 2011 (the "**Report**"), and the information contained in my Report, as described or incorporated by reference in (i) Silver Standard Resources Inc.'s Annual Report on Form 40-F for the year ended December 31, 2014, and (ii) Silver Standard Resources Inc.'s Registration Statements on Form S-8 (File No. 333-185498, 333-196116 and 333-198092), filed with the United States Securities and Exchange Commission.

Dated this 24th day of March, 2015.

Yours very sincerely,

/s/ R. Bruce Kennedy
R. Bruce Kennedy, P.E.