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, 2016**

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: 119,401,795

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, 2016;

(b) Management's Discussion and Analysis for the fiscal year ended December 31, 2016; and

(c) Consolidated Financial Statements for the fiscal year ended December 31, 2016.

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. 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, 2016, 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, 2016, 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, 2016, 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, 2016, filed as Exhibit 99.3 to this Annual Report on Form 40-F.

(e) Changes in Internal Control Over Financial Reporting. During the fiscal year ended December 31, 2016, there were no changes in Silver Standard's internal control over financial reporting, other than the integration of the acquisition of the Seabee Gold Operation, 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 each of Richard D. Paterson and Beverlee F. Park, members 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, 2016.

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, 2016, 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, 2016, 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 following table summarizes our financial liabilities, operating and capital commitments at December 31, 2016:

	Payments due by period (as at December 31, 2016)				
Contractual obligations	**Less than one year**	**1 - 2 years**	**3-5 years**	**After 5 years**	**Total**
	$	**$**	**$**	**$**	**$**
Trade and other payables (excluding derivative liabilities)	**60,253**	**—**	**—**	**—**	**60,253**
Current provisions	**67,130**	**—**	**—**	**—**	**67,130**
Convertible notes[(i)]	**—**	**—**	**265,000**	**—**	**265,000**
Interest on convertible notes[(i)]	**7,619**	**15,238**	**3,809**	**—**	**26,666**
Operating expenditure commitments	**6,722**	**8,354**	**2,088**	**—**	**17,164**
Capital expenditure commitments	**1,493**	**—**	**—**	**—**	**1,493**
Minimum lease rental and lease payments	**494**	**893**	**119**	**—**	**1,506**
Total contractual obligations	**143,711**	**24,485**	**271,016**	**—**	**439,212**

(i) The convertible 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 convertible notes bear interest of 2.875% per annum and are convertible into common shares upon specified events at a fixed conversion price of $20.00 per common share.

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, 2016 is included as Exhibit 99.4 to this Annual Report on Form 40-F, which is incorporated herein by reference.

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 Silver Standard, 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 22, 2017.

Silver Standard Resources Inc.

By: */s/ Paul Benson*
Name: Paul Benson
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, 2016
99.2	Management's Discussion and Analysis for the fiscal year ended December 31, 2016
99.3	Consolidated Financial Statements for the fiscal year ended December 31, 2016
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, Chartered Professional Accountants
99.10	Consent of Bruce Butcher
99.11	Consent of F. Carl Edmunds
99.12	Consent of Trevor J. Yeomans
99.13	Consent of James N. Carver
99.14	Consent of Karthik Rathnam
99.15	Consent of Thomas Rice
99.16	Consent of Cameron Chapman

99.17 Consent of Kevin Fitzpatrick

99.18 Consent of Jeff Kulas

99.19 Consent of Brian Skanderbeg

99.20 Consent of Warwick S. Board

99.21 Consent of R. Bruce Kennedy

99.22 Consent of Sebastien Bernier



ANNUAL INFORMATION FORM

of

SILVER STANDARD RESOURCES INC.

March 22, 2017

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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, 2016, 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 2017, the anticipated capital expenditures and reclamation costs at the Marigold mine, the Seabee Gold Operation and the Pirquitas mine, our planned exploration and development expenditures for our projects in Argentina, Mexico, Peru, the United States and Canada, the expected closure date for the Pirquitas mill, the anticipated storage capacity of the Seabee Gold Operation's tailings management facilities and the anticipated closing date of the sale of our Berenguela project located in Peru. 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 Marigold mine, the Seabee Gold Operation, the Pirquitas mine and our projects;
- our ability to replace Mineral Reserves;
- subject to exercising our election to proceed, our ability to complete and successfully integrate Golden Arrow Resources Corporation's ("**Golden Arrow**") Chinchillas project, on a joint venture basis, into our current operations;
- commodity price fluctuations;
- political or economic instability and unexpected regulatory changes;
- currency fluctuations;
- the possibility of future losses;
- general economic conditions;
- fully realizing the value of our shareholdings in Pretium Resources Inc. (" **Pretium**") and our other marketable securities, due to changes in price, liquidity or disposal cost of such marketable securities;
- potential export duty and related interest on past production and sales of silver concentrate from the Pirquitas mine;
- 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 cost overruns;
- our ability to obtain adequate financing for further exploration and development programs and opportunities;
- uncertainty in acquiring additional commercially mineable mineral rights;
- delays in obtaining or failure to obtain governmental permits, or non-compliance with our permits;
- our ability to attract and retain qualified personnel and management;
- potential labour unrest, including labour actions by our unionized employees at the Pirquitas mine;
- the impact of governmental regulations, including health, safety and environmental regulations, including increased costs and restrictions on operations due to compliance with such regulations;
- reclamation and closure requirements for our mineral properties;
- social and economic changes following closure of a mine, including the anticipated closure of the Pirquitas mine, may lead to adverse impacts and unrest;
- unpredictable risks and hazards related to the development and operation of a mine or mineral property that are beyond our control;
- indigenous peoples' title claims and rights to consultation and accommodation may affect our existing operations as well as development projects and future acquisitions;
- assessments by taxation authorities in multiple jurisdictions;
- recoverability of value added tax ("**VAT**") and significant delays in the collection process in Argentina;
- claims and legal proceedings, including adverse rulings in litigation against us and/or our directors or officers;
- compliance with anti-corruption laws and internal controls, and increased regulatory compliance costs ;
- complying with emerging climate change regulations and the impact of climate change;
- fully realizing our interest in deferred consideration received in connection with recent divestitures;
- uncertainties related to title to our mineral properties and the ability to obtain surface rights;
- the sufficiency of 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;
- competition in the mining industry for mineral properties;
- our ability to complete and successfully integrate an announced acquisition;
- an event of default under our convertible notes may significantly reduce our liquidity and adversely affect our business;
- failure to meet covenants under our senior secured revolving credit facility;
- conflicts of interest that could arise from certain of our directors' and officers' involvement with other natural resource companies;
- information systems security threats; 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 it. 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 Marigold mine, the Seabee Gold Operation and the Pirquitas 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" are to the lawful currency of Argentina.

The following table sets forth, for each period indicated, the high and low exchange rates for Canadian dollars expressed in United States dollars, the average of such exchange rates during such period, and the exchange rate at the end of such period. These rates are based on the noon spot rate of exchange reported by the Bank of Canada.

	Fiscal Year Ended December 31,		
	2014	**2015**	**2016**
Rate at the end of period	$0.8620	$0.7225	0.7448
Average rate during period	$0.9054	$0.7820	0.7555
Highest rate during period	$0.9422	$0.8527	0.7972
Lowest rate during period	$0.8589	$0.7148	0.6854

On March 22, 2017, the noon spot rate of exchange reported by the Bank of Canada was C$1.00 per US$0.7492. As of the same date, one Argentine peso equaled US$0.0642.

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 and the Seabee Gold Operation, has been reviewed and approved by Bruce Butcher, P.Eng., our Director, Mine Planning, and F. Carl Edmunds, P.Geo., our Chief Geologist, each of whom is a Qualified Person. 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, our Chief Geologist at the Marigold mine, Karthik Rathnam, MAusIMM (CP), our Senior Resource Geologist at the Marigold mine, and Thomas Rice, SME Registered Member, our Technical Services Manager at the Marigold mine, each of whom is a Qualified Person. Scientific and technical information in this Annual Information Form relating to our Seabee Gold Operation has been reviewed and approved by Cameron Chapman, P.Eng., our General Manager at the Seabee Gold Operation, and Jeffrey Kulas, P. Geo., our Manager Geology, Mining Operations at the Seabee Gold Operation, each of whom is a Qualified Person under NI 43-101. 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, holding the required accreditation, 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 Reserves and Mineral Resources (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.

An ***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.

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 and all-in sustaining costs per payable ounce of precious metals sold, realized metal prices, adjusted income (loss) before tax, adjusted income tax (expense), adjusted net income (loss) and adjusted basic earnings (loss) per share. Non-GAAP financial measures do not have any standardized meaning prescribed under IFRS and, therefore, they may not be comparable to similar measures reported by other companies. 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 and Additional GAAP Financial Measures" in our management's discussion and analysis of the financial position and results of operations for the year ended December 31, 2016 for a more detailed discussion of how we calculate such measures and for a reconciliation of such measures to IFRS terms.

CORPORATE STRUCTURE

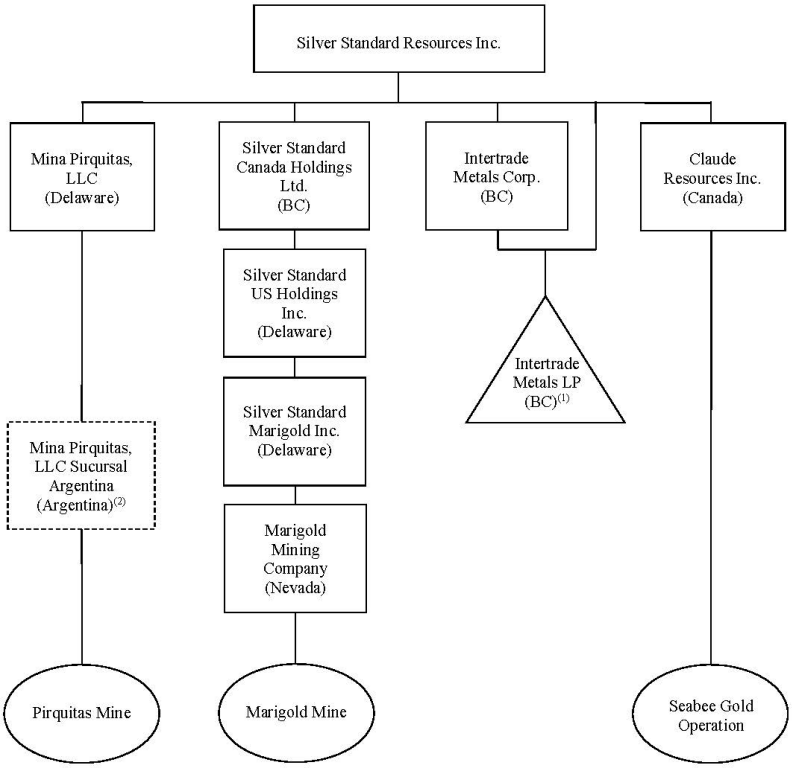
NAME, ADDRESS AND INCORPORATION

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. 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. All share data in this Annual Information Form refers to consolidated shares/data, unless otherwise indicated.

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, including their respective jurisdiction of incorporation. Each of our material subsidiaries is wholly-owned by us.



Notes:

(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. We have three producing mines and a portfolio of precious metal dominant projects located throughout the Americas. Our focus is on safe, profitable gold and silver production from our Marigold mine in Nevada, U.S., our Seabee Gold Operation in Saskatchewan, Canada, and our Pirquitas mine in Jujuy Province, Argentina.

Our vision is to be one of the world's premier mining companies, providing exceptional shareholder value by delivering excellence in all that we do. To achieve this vision, we drive Operational Excellence in our business to enable growth through the acquisition of precious metals mines and advanced-stage projects.

RECENT DEVELOPMENTS

Option of Candelaria Property

In January 2017, we agreed to option our Candelaria property in Nevada, U.S. to Silver One Resources Inc. (" **Silver One**"). In order to earn a 100% interest in the Candelaria property, Silver One issued to us $1.0 million worth of Silver One shares on January 20, 2017, and is required to issue three annual installments of $1.0 million worth of shares of Silver One and assume the reclamation bond on the property immediately prior to its exercise of the option.

Sale of Berenguela Project

On February 13, 2017, we signed a definitive agreement to sell our Berenguela project in Peru to Valor Resources Limited (" **VAL**") for aggregate consideration of: cash payments of $12.0 million over five years; a 9.9% equity stake in VAL, with a free carry interest until VAL completes, in aggregate, a financing of $8.0 million; and a 1% net smelter returns ("**NSR**") royalty on all metal production from the project. Completion of the transaction is subject to customary closing conditions, including approval of VAL's shareholders and waivers from the ASX Limited. We expect the transaction to close in the second quarter of 2017.

2016 DEVELOPMENTS

Option to Explore Perdito Project

On March 31, 2016, we announced the signing of an option agreement to acquire a 100% interest in the Perdito project, located in California, U.S. The project is located 240 kilometers west of Las Vegas, Nevada and covers an area of approximately 5,780 hectares. See "*Mineral Properties – Projects – Perdito Project, California, U.S.*" for further details.

Acquisition of Claude Resources and Change to Board of Directors

On May 31, 2016, we completed the acquisition of 100% of the issued and outstanding common shares of Claude Resources Inc. (" **Claude Resources**"), the owner and operator of the Seabee Gold Operation, for total consideration of approximately 37.4 million Silver Standard common shares and cash consideration of $0.2 million. The acquisition was carried out pursuant to the terms and conditions contained in an arrangement agreement dated March 7, 2016, as amended, between Silver Standard and Claude Resources. We filed a Business Acquisition Report on Form 51-102F4 in respect of this acquisition on June 24, 2016.

In connection with the acquisition, Mr. Brian R. Booth, the former Chairman of the Board of Directors of Claude Resources, was appointed to our Board of Directors on May 31, 2016. See "*Directors and Executive Officers*" for additional information on Mr. Booth's prior experience.

Favorable Resolution of Tax Dispute with CRA

In 2016, the tax dispute with the Canada Revenue Agency (" **CRA**") was settled in our favor. On August 24, 2016, the CRA issued a new notice of reassessment for each of our 2010 and 2011 taxation years reversing the Notice of Reassessment ("**NOR**") issued to us in January 2015 and, on September 2, 2016, refunded $18.2 million, being the deposit we paid to the CRA to appeal, plus accrued interest from the date of payment of the deposit. Following the receipt of the deposit, with accrued interest, the Department of Justice ("**DOJ**") filed a notice of discontinuance of our appeal with the Tax Court of Canada. See "*Legal Proceedings – CRA Reassessment*" for further details.

Option to Explore Fisher Gold Project

On October 6, 2016, we announced the signing of an option agreement with Eagle Plains Resources Ltd. (" **Eagle Plains**") to acquire up to an 80% interest in the Fisher project, located in Saskatchewan, Canada, adjacent to our Seabee Gold Operation. The project consists of approximately 34,175 hectares and doubles our prospective land position at the Seabee Gold Operation. See "*Mineral Properties – Seabee Gold Operation – Exploration, Production and Development*" for further details.

Sale of Parral Properties

On October 31, 2016, we completed the sale of our Parral properties in Mexico, including the Veta Colorada, La Palmilla and San Patricio properties, to Endeavour Silver Corp. ("**Endeavour Silver**") for aggregate consideration of: 1,198,083 Endeavour Silver shares; the right to receive $0.2 million worth of Endeavour Silver shares for each 1 million silver ounces included in an estimate of Measured and Indicated Mineral Resources prepared by Endeavour Silver in respect of the San Patricio and La Palmilla properties; and a 1% NSR on all mineral products from the San Patricio and La Palmilla properties.

Sale of Diablillos and M-18 Projects

On November 1, 2016, we completed the sale of our Diablillos and M-18 projects located in Argentina to Huayra Minerals Corporation (" **Huayra**") for aggregate consideration of: cash payments of approximately $1.15 million over the first two years and $13.0 million over the following three to five years; a 19.9% equity stake in Huayra, with a free carry interest until the completion of a financing of $5.0 million or more; and a 1% NSR royalty on production from each of the projects. At closing of the transaction, we also nominated Mr. W. John DeCooman, our Vice President, Business Development and Strategy to the Board of Directors of Huayra.

2015 DEVELOPMENTS

New President and Chief Executive Officer

On July 13, 2015, we announced that, after five years as our President and Chief Executive Officer, Mr. John Smith made a decision to retire from that position effective July 31, 2015. After an extensive international search, our Board of Directors appointed Mr. Paul Benson as President and Chief Executive Officer effective August 1, 2015. See "*Directors and Executive Officers*" for additional information on Mr. Benson's prior experience.

Closing of $75 Million Revolving Credit Facility

On August 4, 2015, we entered into a $75.0 million senior secured revolving credit facility (the " **Credit Facility**") to enhance our corporate liquidity. Amounts that are borrowed under the Credit Facility will incur variable interest at the London Interbank Offered Rate plus an applicable margin ranging from 2.75% to 3.75% determined based on our net leverage ratio. The Credit Facility also provides for financial letters of credit at 66% of the applicable margin and undrawn fees are 25% of the applicable margin. The term of the Credit Facility is three years. All debts, liabilities and obligations under the Credit Facility are guaranteed by our material subsidiaries and secured by assets of the Company, certain of our material subsidiaries, and pledges of the securities of our material subsidiaries. The Credit Facility may be used for reclamation bonding, working capital and other general corporate purposes.

Acquisition of Valmy Property

On September 24, 2015, we completed the acquisition of the Valmy property in Nevada, U.S., which is contiguous with our Marigold mine, for $11.5 million in cash from Newmont Mining Corporation ("**Newmont**"). The addition of the Valmy property increased our total land holding at the Marigold mine by over 35% to approximately 10,650 hectares. See "*Mineral Properties – Marigold Mine – Exploration, Production and Development*" for further details.

Business Combination Agreement with Golden Arrow regarding Chinchillas Project

On September 30, 2015, we signed an agreement (the " **Business Combination Agreement**") with Golden Arrow to explore and evaluate its Chinchillas silver-lead-zinc project, located approximately 30 kilometers from the Pirquitas mine. Since entering into the Business Combination Agreement, we have funded approximately $12.1 million in expenditures at the Chinchillas project on pre-development activities.

We continue to evaluate our right to exercise our option to form a joint venture on the Chinchillas project as an opportunity to extend the mine life at Pirquitas. The completion of our technical evaluation combined with the assessment of market conditions and country risk factors, including the status of our export duty litigation, will determine our decision on exercising the option in advance of its expiry on March 30, 2017. See "*Mineral Properties – Projects – Chinchillas Project, Argentina* " for further details.

2014 DEVELOPMENTS

Sale of Challacollo Project

On February 6, 2014, we completed the sale of the Challacollo project in Chile to Mandalay Resources Corporation (" **Mandalay**") for aggregate consideration of: $7.5 million in cash; 12 million common shares of Mandalay; 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; and a 2% NSR royalty on silver sales in excess of 36 million ounces from the project, up to a maximum of $5.0 million.

Acquisition of Marigold Mine and Life of Mine Plan

On April 4, 2014, we completed the acquisition of the Marigold mine 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.

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**").

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. See "*Directors and Executive Officers*" for additional information on Ms. Park's prior experience.

Sale of Pretium Shares

On July 29, 2014, we completed a secondary offering of 1,449,000 common shares of 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.

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 believe that our strong balance sheet 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 agreed to sell our Berenguela project in Peru in February 2017, optioned our Candelaria project in Nevada, U.S. in January 2017, and sold each of our Parral properties in Mexico, Diablillos and M-18 projects in Argentina, and Juncal and La Flora projects Chile in 2016.

In addition to the Marigold mine, the Seabee Gold Operation and the Pirquitas mine, our three producing mines, we own the Pitarrilla project, a silver project in Mexico, and the San Luis project, a high-grade gold-silver project in Peru. We also hold interests in several other properties in the Americas at various stages of exploration and development, including an option at each of the Chinchillas project, located near our Pirquitas mine, the Fisher project, located adjacent to our Seabee Gold Operation, and the Perdito project, located in California, U.S.



Notes:

(1) On February 13, 2017, we signed a definitive agreement to sell our Berenguela project to VAL. The transaction is expected to close in the second quarter of 2017. See "*General Development of the Business – Recent Developments*" for further details.

(2) In January 2017, we optioned our Candelaria property to Silver One. See "*General Development of the Business – Recent Developments*" for further details.

PRINCIPAL PRODUCTS

Our principal products are gold doré and silver concentrate. All of our gold doré, which is refined into gold bullion bars, is produced at the Marigold mine and the Seabee Gold Operation and all of our silver concentrate is produced at the Pirquitas mine.

Our Marigold mine and Seabee Gold Operation sales are made to refineries located in North America. The refined gold bullion from the gold doré produced at the Marigold mine was sold to two customers who individually accounted for 37% and 15% of total revenue during 2016, and two customers in 2015, one of whom individually accounted for 54% of our total revenue. The Marigold mine accounted for 52% of our total revenue during 2016 and 63% of our total revenue during 2015.

The refined gold bullion from the gold doré produced at the Seabee Gold Operation was sold to two customers in 2016, one of whom individually accounted for 11% of our total revenue. The Seabee Gold Operation, which we acquired on May 31, 2016, accounted for 13% of our total revenue during 2016.

Our Pirquitas mine sales are made to external customers located in various countries, including Canada, Peru, Belgium, Germany, Spain and Japan. We had one customer who individually accounted for 15% of our total revenue during 2016, and one customer who individually accounted for 12% of our total revenue during 2015. The Pirquitas mine accounted for 34% of our total revenue during 2016 and 37% of our total revenue during 2015.

There are a number of other acceptable customers and refineries with the capacity to refine doré, and we can process our gold produced at the Marigold mine and the Seabee Gold Operation through other refineries in North America, if required. The loss of any one smelting and refining client may have a material adverse effect on our silver concentrate business if alternate smelters and refiners are not available, although we have a diversified customer base and believe that there is sufficient global capacity available to address the loss of any one particular customer.

Our revenue by product category for the financial years ended December 31, 2016 and December 31, 2015 was as follows:

Product Revenue	2016	2015
Gold	65%	63%
Silver	35%	35%
Zinc	—%	2%

Our financial performance is impacted by both gold and silver prices. Precious metals prices were stronger in 2016 than in 2015, with gold averaging $1,251 per ounce and silver averaging $17.10 per ounce, compared to $1,160 per ounce and $15.70 per ounce, respectively, in 2015. Gold price closed at $1,146 per ounce and silver price closed at $16.24 per ounce on December 31, 2016, but both improved above these levels following year end.

SPECIALIZED SKILLS AND KNOWLEDGE

Various aspects of our business require specialized skills and knowledge, including in areas of geology, engineering, drilling, metallurgy, permitting, logistics, 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, 2016, we employed a total of 1,250 full-time employees and 131 contract employees. The table below sets out our employees at each of the following locations:

Location	Number of Employees	
	Full-time	Contract
Vancouver, Canada	34	1
Saskatchewan, Canada	297	1
U.S.	381	6
Argentina	516	119
Mexico	17	4
Peru	5	—

As at December 31, 2016, of the 516 full-time employees in Argentina, 347 were represented by a union. The cessation of San Miguel open pit mining activities in January 2017 has resulted in a significant reduction in our workforce in Argentina.

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.

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 safety 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 could result in temporary or permanent closure of our mining operations, project development delays, material financial impacts or other material impacts to our projects and activities, fines, penalties, lawsuits by the government or private parties, revocability of property or material capital expenditures. Additionally, environmental laws in the countries in which we operate require that we periodically perform environmental impact studies and updates 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 undertake 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 Marigold mine, the Seabee Gold Operation and the Pirquitas mine. At the Marigold mine, we engage in concurrent reclamation practices and provide bonds for all permitted features, as part of the State of Nevada permitting process. Current bonding amounts are based on third party cost estimates to reclaim all permitted features at the Marigold mine, with the exception of a few features permitted as permanent, post-mining features. 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, 2016, the Marigold mine had approved reclamation bond requirements totaling approximately $46.5 million.

At the Seabee Gold Operation, we also have an approved closure plan and financial assurance held by the Province of Saskatchewan. The closure plan addresses all final reclamation requirements as well as the longer term post-reclamation monitoring and maintenance phase. As required by our environmental permits, the closure plan is periodically updated. As at December 31, 2016, the Seabee Gold Operation has reclamation requirements totaling approximately $4.7 million.

At the Pirquitas mine, the present value of our current closure and reclamation cost estimate, to be spent over a number of years, using a discount rate of 10%, is approximately $28.5 million, excluding any salvage value. This estimate is based on conceptual level engineering and will be updated to reflect changes in the life of mine plan and more detailed engineering design. The current closure and reclamation plan addresses a range of closure risks, design criteria and costs that are anticipated in order to comply with internationally accepted practices. It considers both the physical reclamation of the site and the social closure plan for the neighbouring communities for whom the mine provides employment and community support. The closure plan considers the short-term decommissioning and reclamation measures, as well as longer term care and maintenance activities and related costs and risks.

We also have certain reclamation obligations at the Duthie property and the Silver Standard mine property, both located in British Columbia, Canada. In 2016, our reclamation work program at these properties was carried out at a cost of approximately $598,000. Estimated cost for our reclamation work at these properties in 2017 is approximately $331,000.

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.

Community support and engagement is 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. We also 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.

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. We also built two sports centers in 2016 for the surrounding communities. At the Chinchillas project, we supported Golden Arrow in various community engagement programs during the year.

The Seabee Gold Operation is located in northern Saskatchewan, within the traditional territories of the Lac La Ronge Indian Band and the Peter Ballantyne Cree First Nation. Since our acquisition of the operation in May 2016, we have identified training, education and employment of northern communities as priorities for community engagement.

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.

In December 2015, the new Federal Government of Argentina lifted restrictions on foreign currency flows into and out of the country and removed many import restrictions that existed under the previous regime. On February 12, 2016, the Federal Government of Argentina also removed export duties on mineral concentrates. We view these initiatives as generally positive for conducting business in the country, but we continue to fully assess the impact on our business. See "*Risk Factors*".

MINERAL PROPERTIES

SUMMARY OF MINERAL RESERVES AND MINERAL RESOURCES ESTIMATES

The following table summarizes as at December 31, 2016 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									
Seabee Gold Operation	Canada	0.52		6.97					0.12
Total									**0.12**
Probable Mineral Reserves									
Marigold	U.S.	185.00		0.45					2.67
Marigold Leach Pad Inventory	U.S.								0.17
Seabee Gold Operation	Canada	0.85		8.93					0.25
Pirquitas	Argentina	0.08	139.2			0.09		0.4	
Pirquitas Stockpiles	Argentina	2.42	118.1			0.40		9.2	
San Luis	Peru	0.51	447.2	18.06				7.2	0.29
Total								**16.8**	**3.38**
Proven and Probable Mineral Reserves									
Marigold	U.S.	185.00		0.45					2.67
Marigold Leach Pad Inventory	U.S.								0.17
Seabee Gold Operation	Canada	1.37		8.19					0.36
Pirquitas	Argentina	0.08	139.2			0.09		0.4	
Pirquitas Stockpiles	Argentina	2.42	118.1			0.40		9.2	
San Luis	Peru	0.51	447.2	18.06				7.2	0.29
Total Proven and Probable								**16.8**	**3.49**
MINERAL RESOURCES:									
Measured Mineral Resources (inclusive of Proven Mineral Reserves)									
Seabee Gold Operation	Canada	0.81		7.71					0.20
Pitarrilla	Mexico	10.13	91.7		0.70	1.23		29.8	
Total								**29.8**	**0.20**
Indicated Mineral Resources (inclusive of Probable Mineral Reserves)									
Marigold	U.S.	348.30		0.45					4.98
Marigold Leach Pad Inventory	U.S.								0.17
Seabee Gold Operation	Canada	1.43		8.14					0.37
Pirquitas	Argentina	12.88	108.6			1.16		45.0	
Pirquitas UG	Argentina	1.83	224.1			5.17		13.2	
Pirquitas Stockpiles	Argentina	2.42	118.1			0.40		9.2	
Pitarrilla	Mexico	149.82	97.1		0.31	0.83		467.5	
Pitarrilla UG	Mexico	5.16	173.5		0.50	1.19		28.8	
San Luis	Peru	0.48	578.1	22.40				9.0	0.35
Amisk	Canada	30.15	6.2	0.85				6.0	0.83
Total								**578.6**	**6.70**

	Location	Tonnes millions	Silver g/t	Gold g/t	Lead %	Zinc %	Copper %	Silver million oz	Gold million oz
Measured and Indicated Mineral Resources (inclusive of Mineral Reserves)									
Marigold	U.S.	348.30		0.45					4.98
Marigold Leach Pad Inventory	U.S.								0.17
Seabee Gold Operation	Canada	2.23		7.99					0.57
Pirquitas	Argentina	12.88	108.6			1.16		45.0	
Pirquitas UG	Argentina	1.83	224.1			5.17		13.2	
Pirquitas Stockpiles	Argentina	2.42	118.1			0.40		9.2	
Pitarrilla	Mexico	159.95	96.7		0.33	0.86		497.3	
Pitarrilla UG	Mexico	5.16	173.5		0.50	1.19		28.8	
San Luis	Peru	0.48	578.1	22.40				9.0	0.35
Amisk	Canada	30.15	6.2	0.85				6.0	0.83
Total Measured and Indicated								**608.4**	**6.90**
Inferred Mineral Resources									
Marigold	U.S.	53.60		0.41					0.70
Seabee Gold Operation	Canada	2.56		7.74					0.64
Pirquitas	Argentina	0.91	80.3			1.88		2.3	
Pirquitas UG	Argentina	0.94	202.0			6.97		6.1	
Pitarrilla	Mexico	9.04	76.6		0.16	0.54		22.2	
Pitarrilla UG	Mexico	1.31	139.0		0.85	1.21		5.9	
San Luis	Peru	0.02	270.1	5.60				0.2	
Amisk	Canada	28.65	4.0	0.64				3.7	0.59
Total Inferred								**40.4**	**1.93**

Notes to Mineral Reserves and Mineral Resources Table:

- All estimates set forth in the Mineral Reserves and Mineral Resources table have been prepared in accordance with NI 43-101. The estimates of Mineral Reserves and Mineral Resources for each property other than the Marigold mine, the Seabee Gold Operation and the Amisk gold project have been reviewed and approved by Bruce Butcher, P.Eng., our Director, Mine Planning, and F. Carl Edmunds, P.Geo., our Chief Geologist, each of whom is a Qualified Person.
- Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Due to the uncertainty that may be attached to Inferred Mineral Resources, it cannot be assumed that all or any part of an Inferred Mineral Resource will be upgraded to an Indicated or Measured Mineral Resource as a result of continued exploration.
- Mineral Resources and Mineral Reserves figures have some rounding applied, and thus totals may not sum exactly. All ounces reported herein represent troy ounces, and “g/t” represents grams per tonne.
- Metal prices utilized for Mineral Reserves estimates are $1,250 per ounce of gold, $18.00 per ounce of silver and $1.00 per pound of zinc, except as noted below for the San Luis project. Metal prices utilized for Mineral Resources estimates are $1,400 per ounce of gold, $22.50 per ounce of silver, $1.10 per pound of zinc and $3.00 per pound of copper, except as noted below for the San Luis project and the Amisk gold project.
- The table does not include an estimate of Mineral Resources for the Diablillos project, which we sold to Huayra effective as of November 1, 2016, or the Berenguela project, which we agreed to sell to VAL and expect closing of this transaction to occur in the second quarter of 2017.
- All technical reports for the 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*".

Marigold:

- Except for updates to cost parameters and metal price assumptions, all other key assumptions, parameters and methods used to estimate Mineral Reserves and Mineral Resources are set out in the Marigold Technical Report.
- Mineral Reserves estimate was prepared under the supervision of Thomas Rice, SME Registered Member, a Qualified Person and our Technical Services Manager at the Marigold mine, and is reported at a cut-off grade of 0.065 g/t payable gold.
- Mineral Resources estimate was prepared under the supervision of James N. Carver, SME Registered Member, and our Chief Geologist at the Marigold mine, and Karthik Rathnam, MAusIMM (CP), and our Senior Resource Geologist at the Marigold mine, each of whom is a Qualified Person. Mineral Resources estimate is reported based on an optimized pit shell at a cut-off grade of 0.065 g/t payable gold, and includes an estimate of Mineral Resources for mineralized stockpiles. Mineral Resources for mineralized stockpiles were estimated using Inverse Distance cubed.

Seabee Gold Operation:

- Except for updates to cost parameters, metal price assumptions and mill recovery and dilution to include recent operating results, all other key assumptions, parameters and methods used to estimate Mineral Reserves and Mineral Resources are set out in the technical report entitled "Mineral Resource and Mineral Reserve Estimate Seabee Gold Operation Saskatchewan, Canada" dated December 23, 2013 (the "**Seabee Gold Operation Technical Report**"). Please see "*Mineral Properties – Seabee Gold Operation – Mineral Reserves and Mineral Resources Estimates*" for further details.
- Mineral Reserves estimate was prepared under the supervision of Kevin Fitzpatrick, P.Eng., a Qualified Person and our Engineering Supervisor at the Seabee Gold Operation. Mineral Reserves estimate for the Seabee mine is reported at a cut-off grade of 4.92 g/t gold, and for the Santoy mine is reported at a cut-off grade of 3.65 g/t gold.
- Mineral Resources estimate was prepared under the supervision of Jeffrey Kulas, P.Geo., a Qualified Person and our Manager Geology, Mining Operations at the Seabee Gold Operation. Mineral Resources estimate for the Seabee mine is reported at a cut-off grade of 4.40 g/t gold, and for the Santoy mine is reported at a cut-off grade of 3.26 g/t gold.
- Block modelling techniques were used for Mineral Resources and Mineral Reserves evaluation for the Santoy mine and the majority of the Seabee mine. Polygonal techniques were used in areas of historical mining at the Seabee mine.

Pirquitas:

- Except for the optimized pit constraints and updates in metal price assumptions and 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 Mineral Reserves and Mineral Resources are set out in the technical report entitled "NI 43-101 Technical Report on the Pirquitas Mine, Jujuy Province, Argentina" dated December 23, 2011 (the "**Pirquitas Technical Report**").

- Mineral Reserves estimate is reported at a cut-off grade of $21.31 per tonne NSR.
- Mineral Resources estimate for the open pit is reported at a cut-off grade of $22.06 per tonne NSR, constrained within an open pit resource shell. Underground Mineral Resources (Pirquitas UG) are reported below the open pit resource pit shell; Mineral Resources for the Mining Area (which includes San Miguel, Chocaya, Oploca and Potosí zones) are reported at a cut-off grade of $85.00 per tonne NSR; and Mineral Resources for the Cortaderas Area are reported at a cut-off grade of $75.00 per tonne NSR.
- Mineral Reserves and Mineral Resources in surface stockpiles are reported at a cut-off grade of $23.25 per tonne NSR and $24.00 per tonne NSR, respectively, and were determined based on grade, rehandling costs and recovery estimates from metallurgical testing.

San Luis:

- Mineral Reserves estimate is reported at a cut-off grade of 6.9 g/t gold equivalent, using a gold price of $800 per ounce and a silver price of $12.50 per ounce.
- Mineral Resources estimate is reported at a cut-off grade of 6.0 g/t gold equivalent, using a gold price of $600 per ounce and a silver price of $9.25 per ounce.

Pitarrilla:

- Mineral Resources estimate for the open pit is reported at a cut-off grade of $16.38 per tonne NSR for direct leach ore, using an average recovery of 56% silver, and $16.40 per tonne NSR for flotation/leach ore, using average recoveries of 75% silver, 73% lead and 75% zinc, constrained within an open pit resource shell.
- Underground Mineral Resources (Pitarrilla UG) are reported below the constrained open pit resource pit shell above a cut-off grade of $80.00 per tonne NSR, using grade shells that have been trimmed to exclude distal and lone blocks that would not support development costs.

Amisk:

- Mineral Resources estimate was prepared by Sebastien Bernier, P.Geo., Principal Consultant (Resource Geology), SRK Consulting (Canada) Inc., a Qualified Person. Mineral Resources estimate is reported at a cut-off grade of 0.40 grams of gold equivalent per tonne using a price of $1,100 per ounce of gold and $16.00 per ounce of silver inside conceptual pit shells optimized using metallurgical and process recovery of 87%, overall ore mining and processing costs of $15.00 per tonne and overall pit slope of fifty-five degrees.

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, Location and Access

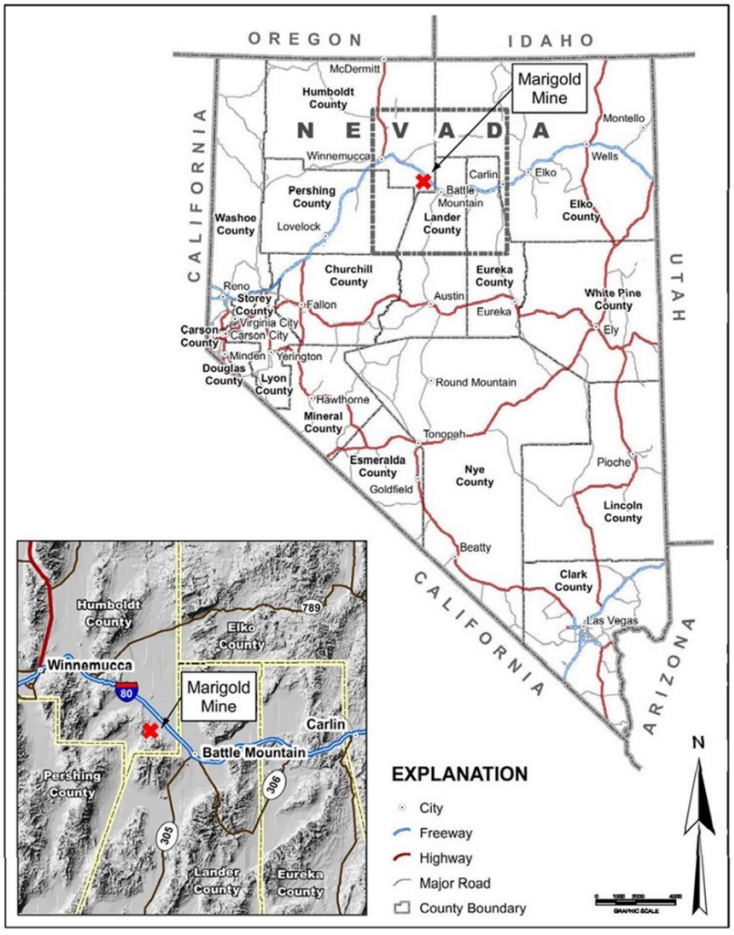
The Marigold mine is located in southeastern Humboldt County, in the northern foothills of the Battle Mountain Range, Nevada, U.S. The mine is situated approximately 3 miles (5 kilometers) south-southwest of the town of Valmy, Nevada. Other nearby municipalities include Winnemucca and Battle Mountain, Nevada, which are located approximately 36 miles (58 kilometers) to the northwest and 15 miles (24 kilometers) to the southeast of the Marigold mine, respectively. Access to the Marigold mine is via a three mile long public road consisting of hard packed clay and gravel, emanating from the Exit 216 off Interstate Highway 80.

The authorized plan of operations (“ **PoO**”) area of the Marigold mine currently encompasses approximately 7,800 hectares, with approximately 2,200 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. In 2015, we acquired the Valmy property, a 2,844 hectare land package surrounding portions of the Marigold mine to the east, south and west, which increased our total land holding at the Marigold mine to approximately 10,650 hectares.

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, including with respect to the Valmy property, are comprised of certain real property, unpatented mining claims, and leasehold rights to unpatented mining claims, millsite claims and certain surface lands. Such mineral claims are federally-based and managed by the BLM.

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 2% and 10% of the value of gold production net of offsite refining costs.

For a discussion of permitting and environmental liabilities at the Marigold mine, see " *Infrastructure, Permitting and Compliance Activities*" below.



Map of Nevada, U.S. Showing the Location of 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 property was from the underground mine in 1938. Approximately 9,100 tonnes of ore averaging about 6.85 grams of gold per tonne 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 underground workings, producing 2,800 tonnes containing 271 ounces of gold. In 1985, Vek/Andrus Associates drilled three holes in the Section 8 area of the 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. 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, thereby acquiring a two-thirds ownership interest in the Marigold mine, with Homestake continuing to hold the remaining 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 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.

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

- *1980-1998*: Hecla Mining Company (" **Hecla**") and Santa Fe Pacific Gold Corp. (" **SFP Gold**") completed drilling programs at the Valmy property.
- *1998-2005*: Newmont acquired the Valmy property in 1998, and continued exploration activities. Mining operations commenced in 2002 at each of the Valmy, Mud and NW pits, with ore shipped to the North Peak leach pads. Mining activities ceased in 2005. From 2002 to 2005, Newmont mined approximately 196,000 ounces of gold at the Valmy property.

On September 24, 2015, we completed the acquisition of the Valmy property from Newmont.

Geological Setting, Mineralization and Deposit Types

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. 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.

Local and Property Geology

Three packages of passive margin sedimentary Paleozoic rocks are present at the Marigold mine, all of which host minable gold on the property. In ascending order, these are:

- *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. 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 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. 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

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 Mackay North)	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
Valmy	Favorable host rocks and structures	Valmy-quartzite	3600	700 – 900	Up to 60	NS

Deposit Types

The deposits at the Marigold mine have been described as a “distal-type sediment-hosted gold-silver deposit”, related to Cretaceous to Eocene magmatism. Such deposits are similar to “Carlin-Type deposits”, but have been described as a sub-class or derivation of Carlin-Type deposits in the past 15 years. The result is that exploration is directed using well-established geological models and geochemical vectors. Surface exploration techniques such as geophysical and geochemical surveys are selected based on those most suited to the particular deposit type. Geophysical surveys are designed to define the location of faults and fault corridors, and geochemical soil sampling programs are designed to target the trace elements associated with distal-type sediment-hosted gold-silver deposits. Once anomalies and indicators are discovered by surface programs, drilling is planned and executed to investigate them.

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 approximately 150 meters by 150 meters 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 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.

Exploration activities in 2016 included a pre-faulting reconstruction of the geology over our entire land package. This work yielded significant interpretative conclusions which identified several near surface oxide targets. In the third quarter of 2016, we expanded our gravity survey coverage to include portions of the Valmy property and Marigold mine, including the additional lands to the east, south and west of the original Marigold mineral claims. This data, together with our understanding of the sub-surface geology, was used to select drill sites for our deep sulphide exploration program targeting a high grade style of mineralization.

Drilling

Prior to our acquisition of the Marigold mine, as at December 31, 2013, a total of 6,860 drillholes for approximately 1,357,412 meters of drilling had been completed. The first hole was drilled in 1968 and drilling continued sporadically until 1985, when Cordex began systematic exploration of the 8 South area. Prior to our acquisition of the Valmy property, Hecla, SFP Gold and Newmont completed a total of 866 drillholes for approximately 109,107 meters of drilling.

Since acquiring the Marigold mine in April 2014 and the Valmy property in September 2015, we have completed a total of 524 drillholes for 122,330 meters of drilling, as set out in the table below.

Drilling Program	Company	No. RC Holes	RC Meters[1]	No. Diamond Holes	Diamond Meters[1]	Total Holes	Total Meters[1]
1968-1985	Various exploration and mining groups	126[2]	7,037[2]	-[2]	-[2]	126	7,037
1985-1999	Cordex and Rayrock Mines	2,350	333,325	8	2,176	2,358	335,501
1999-2006	Glamis Gold	2,498	484,619	8	2,030	2,506	486,649
1980-2012	Newmont and other mining groups (Valmy property)	851	108,070	15	1,037	866	109,107
2006-2013	Goldcorp	1,856	520,163	14	8,063	1,870	528,226
2014	Silver Standard	116	21,653	1[3]	1,235[3]	117	22,888
2015	Silver Standard	134	36,710	4	4,270[4]	175[5]	43,340[5]
2016	Silver Standard	231	55,147	1	955	232	56,102
	Total	**7,542**	**1,566,724**	**51**	**19,766**	**8,250**	**1,588,850**

Notes:

(1) Drill lengths converted from feet to meters. Figures have rounding applied. Exact totals prior to 2014 in feet can be found in the Marigold Technical Report.

(2) No documentation of drilling method at the Marigold mine is available for these drillholes. However, before reverse circulation ("**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. These drillholes are located in areas that have been mined or are outside of the current Mineral Resource area of the Marigold mine.

(3) Only one diamond core drillhole was completed at the end of 2014, for a total of 1,235 meters. Two diamond core drillholes were in progress, and the total diamond core drilled during 2014, including the completed diamond core drillhole, was approximately 2,829 meters.

(4) Four HQ core drillholes, including the two HQ core drillholes in progress in 2014, were completed in 2015, totaling 4,270 meters of HQ core.

(5) Includes an additional 2,360 meters of drilling in 37 sonic drillholes in mineralized stockpiles.

1980 to 2006 Drilling Programs

Drilling at the Marigold mine from 1985 to 1994 mainly targeted the high grade zone (greater than 1.71 grams of gold per tonne) 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 migrate to a ROM heap leach operation. Consequently, the exploration strategy was adjusted to explore for and discover large tonnage ore deposits with average grades equal to or greater than 0.34 grams of gold per tonne.

Drilling activities commenced at the Valmy property in 1980, and were focused on shallow lower grade oxide mineralization amenable to ROM heap leach operations. Hecla and SFP Gold carried out drilling programs between 1980 and 1998, identifying the Valmy deposit. Exploration activities conducted by Newmont from 1998 to 2005 were mainly focused on infill drilling at the Valmy pit and also identified the Mud and NW pit deposits.

2006 to 2013 Drilling Programs

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 Mackay North exploration area.

2014 to 2016 Drilling Programs

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 open pits and the upgrading of Inferred Mineral Resources to Indicated Mineral Resources. By the end of 2014, we had completed RC drilling on gold oxide targets in the Mackay, Mackay North, 5 North and 8 South areas. In 2014, we also began a deep sulphide exploration project to evaluate the potential for a high-grade underground mineral deposit at the Marigold mine and completed one core drillhole to 1,235 meters depth.

In 2015, we continued our Mineral Resources development drilling program, completing RC drilling and sonic drilling in the mineralized stockpiles. Two additional mineral centers referred to as the 8D and HideOut areas were discovered during 2015, in addition to the extension of Mineral Resources in the 8 South pit extension ("**8Sx**") area that was discovered in late 2014. We also continued our deep sulphide exploration project, completing a total of 4,270 meters of diamond core drilling in four drillholes.

In 2016, exploration activities focused on drilling oxide resource targets at the HideOut area and the adjoining Valmy property. The objectives of our drilling activities were Mineral Resources to Mineral Reserves conversion around the 8Sx, Terry Zone North, HideOut, Mud and Valmy pits, and Mineral Resources discovery at the Crossfire, East Basalt and Battle Cry targets on the Valmy property. We also completed a further 955 meters of core drilling in one drillhole as part of our deep sulphide exploration project.

Sampling, Analysis and Data Verification

Exploration activities by each of Rayrock Mines, Glamis Gold and Goldcorp have contributed the majority of the assays in the Marigold 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 Marigold 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.

There is an extensive sample storage facility at the Marigold mine that preserves the raw sample material which supports the Marigold 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.

For our 2014 to 2016 drilling programs, the RC drillholes were 5.5 inches (14 centimeters) in diameter and water was injected to aid the drilling and to suppress fugitive dust. One RC sample was collected for every five foot (1.5 meter) interval drilled and one RC sample was collected every 10 foot (3 meter) interval in mineralized stockpiles and backfills. The RC 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 (76 meters), which represents 2% of the total samples in a drillhole, as a quality control ("**QC**") check. The splitter has two sample collecting spouts and these were used to collect the two samples. Representative RC 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 RC chip trays were provided to the drilling contractor by Marigold geologists or geotechnicians, and the drilling contractor

collected the samples and filled the chip trays. A truck mounted "TRUSONIC" sonic drill was used for drilling in the mineralized stockpiles and backfill using 4 to 6 inch (10.2 to 15.2 centimeter) diameter sonic tools. These samples were placed in plastic tubes as the stockpiles were cored with the sonic drill and composited at 10 foot (3 meter) intervals, with a sample split of these composites then sent to the laboratory for analysis. The remaining sonic rock samples were stored and used by the Marigold metallurgical department for column leach testing. Five HQ core holes were also drilled at various depths with the core being placed into numbered and labeled core boxes and picked up at the drill by Marigold geologists, and then transported to the core shed for logging, photography and splitting at designated intervals for assay. Each of the core holes were surveyed with an acoustic televiewer instrument by COLOG for oriented structural data. The RC chip trays were transported to the logging shed while the drill samples for assay RC, core and sonic were taken to the onsite laboratory or dispatched to the ISO 17025 certified American Assay Laboratories ("**AAL**") facility in Sparks, Nevada. AAL is independent from Silver Standard.

Sampling and analytical procedures carried out by each of Hecla, SFP Gold and Newmont at the Valmy property have been documented and are similar to those procedures carried out at the Marigold mine. Upon our acquisition of the Valmy property in September 2015, Newmont provided the representative chip samples collected from the exploration programs in chip trays for all the drillholes in the Valmy database and the laboratory pulp rejects and coarse rejects for the drilling programs carried out by Newmont. We surveyed the preserved drillhole collars from the previous exploration programs, and the results of the survey showed no errors in the collar data received from Newmont. We also carried out a quality assurance ("**QA**")/QC drilling program at the Valmy property in 2016 to verify the analytical data provided by Newmont and no issues were identified.

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 0.17 grams of gold per tonne was followed by a fire assay determination with gravimetric finish (for the onsite Marigold laboratory), or fire assay with atomic absorption spectroscopy finish and fire assay with gravimetric finish for overlimits, at commercial laboratories.

During our 2014 to 2016 drilling programs, all samples generated from RC drilling, except for six drillholes in 2014, were prepared and assayed at AAL. All samples were fire assayed with Inductively Coupled Plasma ("**ICP**") finish, which if above a cut-off grade of 0.10 grams of gold per tonne was followed by a cyanide solution assay. A total of six drillholes drilled in 2014 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 0.10 grams of gold per tonne was followed by a fire assay determination with gravimetric finish.

All of the core generated from our deep sulphide exploration project from 2014 to 2016 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.

All of the samples generated from our drilling program at the Valmy property in 2016 were first subjected to a fire assay with atomic absorption spectroscopy or gravimetric finish. If the sample assayed above 0.17 grams of gold per tonne, a cyanide soluble assay with atomic absorption spectroscopy finish was carried out.

Quality Control Procedures

In 2014, we compiled all available QA/QC data from the Marigold exploration drillhole database and contracted AMEC Americas Limited ("**AMEC**"), which is independent from Silver Standard, 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 AAL for analysis. The aim of this re-assay program was to check the assay quality, *i.e.*, accuracy and precision, from the laboratories that were used during these years. Drillhole sample pulp material was not available for the period 1968 to 1987.

In total, 2,562 pairs of sample pulps 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, and these pulps were then submitted to AAL for analysis. The 2014 pulp re-assay program returned values which did 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.

During 2015, we undertook a program to re-assay historic samples (the “ **Assay Program**”) with the objective of identifying low grade ore that was not included in the existing Mineral Reserves. A total of 97,950 samples from within the planned life of mine production areas were sent to AAL for assaying in 2015. During 2016, we completed the Assay Program, with a total of 55,073 additional samples sent to AAL for assaying. Results from the Assay Program carried out in 2016 were consistent with results achieved in 2015, and the Assay Program has provided better spatial definition of the lower grade portions of the Mackay pit.

As part of the QC protocol for our 2014 to 2016 drilling programs, we inserted 5% of certified reference material, 2% of blanks and 2% of field duplicates into the sampling stream and, with respect to the Assay Program, we inserted 5% of certified reference material and 2% of blanks into 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 estimate. 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

In 2014, as part of the data verification process, AMEC was commissioned to review the Marigold database for material issues that might impact on the preparation of our Mineral Resources estimate. 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:

- 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 (6.1 meters) 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.
- 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 any issues, and these were corrected.
- All of the drillhole assay data that has been gathered or generated from the sampling of drilling work by Silver Standard during 2014 and 2015 has been verified against original hard copies of the laboratory’s assay certificates for any data entry errors.

Two major technical issues were identified with the Marigold 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 in 2014, the exploration data (including collar, survey, lithology and assay data) is suitable for use in the generation of our Mineral Resources and Mineral Reserves estimates.

During our 2014 to 2016 drilling programs, 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 0.10 grams of gold per tonne were assayed by cyanide soluble method. All assay data was provided directly to us by AAL and directly entered into the Marigold database. A randomly selected proportion (10%) of the 2014 to 2016 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.

Sample Security

The bulk of the sample values in the Marigold assay database are for samples analyzed at the secure on-site Marigold laboratory. Samples shipped off-site were either delivered to a commercial laboratory by a Marigold geologist or technician, or were collected 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 to 2016 drilling programs, core, sonic and RC samples were in the custody of our Marigold 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

Marigold uses a standard open pit mining method with a current mining rate of approximately 210,000 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 meter) benches for pre-stripping waste and 25 foot (7.6 meter) 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 290 tonne primary haulers. In 2016, we purchased three used 290 tonne haul trucks at the Marigold mine, one of which replaced a rental unit, thereby expanding the haul truck fleet to 21-290 tonne haul trucks.

With the low grade nature of the Mineral Reserves and Mineral Resources at the Marigold mine, such large, efficient and cost effective machinery must be utilized for mining. All processing of ore, which is oxide in nature, is done on ROM heap leach pads, which is a cost effective method to recover the gold produced. Waste is hauled to storage locations near the mining pits to minimize haulage costs.

Processing, Recovery and Metallurgical Testing

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 40 foot (12.2 meter) lifts. In 2016, we completed the construction of a new leach pad, and the heap leach pad now consists of 21 separate cells. Approximately 4.3 million square feet (400,000 square meters) 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 leach pads is equivalent to 71.3% recovery; whereas total gold recovery including recoverable gold inventory in the leach pads is estimated at 73.8%. Gold recovery from future ores is estimated to be 73%, based on reviews of historical data and metallurgical test work on future ores.

Infrastructure, Permitting and Compliance Activities

Infrastructure

The Marigold mine has significant infrastructure existing onsite for delivering power and water to the various mine shops, heap leach pads, and process and ancillary facilities. Electrical power is supplied from NV Energy, Inc. via an existing 120 kV transmission line and routed through a 25 kV grid. Water is supplied from three existing groundwater wells located on the property, and we own groundwater rights collectively allowing up to 3,134 million liters of water consumption annually, the majority of which is used as makeup water for process operations. Approximately 5,300 liters per minute of fresh water is required during peak periods in the summer months. The water is primarily consumed by retention in the 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 property is located in a favorable area for natural resource development with significant existing resources to support the mining industry.

Environmental, Permitting and Social Responsibility

Given that significant portions of the Marigold mine exist on public lands administered by the BLM, the BLM is the primary permitting agency and our activities undergo environmental evaluation by the BLM. Past permitting actions were conducted under BLM authority as part of the regulations under the *National Environmental Policy Act* ("**NEPA**"), which require various degrees of environmental impact analyses dictated by the scope of the proposed action. We are currently preparing a further Environmental Impact Statement ("**EIS**") to permit a new optimization plan to enable all pits to be mined to their planned maximum depths. In the normal course of operations planning, environmental baseline studies were initiated in 2013 to support the EIS process. We have a reasonable expectation that all necessary operating permits will be granted within required timeframes to implement our life of mine plan. At present, there are no known environmental issues that impact our ability to extract Mineral Resources at the Marigold mine.

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 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.

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 of Nevada 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.

There are currently no outstanding negotiations or social requirements regarding operations at the Marigold mine. Community support and engagement is well-established and will continue, with regular updates provided by mine management to local stakeholders and regulators.

Capital and Operating Costs

The capital and operating cost estimates derived for the Marigold mine are based on a combination of historical data and budgetary estimates.

Capital costs are considered to be sustaining capital and are estimated to be $210.6 million for the life of mine, which does not include capitalized stripping or capitalized exploration costs. The life of mine capital costs estimate is shown in the table below.

Capital Costs	Total ($ Millions)
Mining Equipment	31.0
Capitalized Equipment Maintenance	113.6
Processing	38.0
G&A/Permitting/Other	28.0
Total Capital Costs	**210.6**

The life of mine operating costs estimate is $7.10 per tonne of processed ore. The breakdown of estimated operating costs for the life of mine is shown in the table below.

Operating Costs	$/tonne processed
Mine Operations	5.37
Processing	1.12
G&A	0.61
Total Operating Costs	**7.10**

Exploration, Development and Production

During 2016, we completed the Assay Program, which had the objective of identifying low grade ore that was not included in the existing Mineral Reserves. Mineral Resources expansion drilling exceeded expectations in the East Basalt pit area, where 14 drillholes were completed during the fourth quarter of 2016, with the majority intersecting mineralization at or above Mineral Resources average grade. In addition, drilling adjacent to the dormant Valmy pit continued to demonstrate the presence of higher grade structural trends beyond the south east corner of the pit.

Based on our exploration activities and considering other improvements to the Marigold mine in 2016, including the addition of three haul trucks, on September 15, 2016, we reported an updated production and cost outlook for the Marigold mine over the period from 2017 to 2021. Based on the five year outlook, the Marigold mine is expected to average 220,000 ounces per year producing between 200,000 and 240,000 ounces of gold each year over this period, representing a forecasted 20% increase in annual gold production compared to the Marigold Technical Report. In line with recent experience, sustaining capital expenditures are expected to range from $20 million to $35 million per year over the period and account for additional leach pad capacity that will be required for the increase in ore tonnes and replacement and maintenance of mine fleet for the extended mine life. The forecasted higher production at lower cash costs, with the drive to extend mine life, is expected to support higher future operating cash flows.

SEABEE GOLD OPERATION

The following disclosure relating to the Seabee Gold Operation is based, in part, on information derived from the Seabee Gold Operation Technical Report prepared by B. Skanderbeg, P.Geo., and on information reviewed and approved by Cameron Chapman, P.Eng., and Jeffrey Kulas, P. Geo., each of whom is a Qualified Person under NI 43-101 and an employee of Silver Standard. The Seabee Gold Operation Technical Report is available for review under the Claude Resources profile on the SEDAR website at www.sedar.com. This disclosure has been updated to include information about the Seabee Gold Operation subsequent to the date of the Seabee Gold Operation Technical Report.

Project Description, Location and Access

The Seabee Gold Operation is located in the La Ronge Mining District at the north end of Laonil Lake, approximately 125 kilometers northeast of the town of La Ronge, Saskatchewan and about 150 kilometers northwest of Flin Flon, Manitoba. The operation consists of two operating mines, the Seabee mine and the Santoy mine complex, a central milling facility and permanent camp facilities. The Santoy mine complex is located approximately 14 kilometers east of the Seabee mine, and includes the Santoy 8 and Santoy Gap deposits. Access to the Seabee Gold Operation is by fixed wing aircraft from La Ronge or Flin Flon to a 1,275 meter airstrip located on the property.

The current land position at the Seabee Gold Operation comprises an area of approximately 23,700 hectares. In 2016, we signed an option agreement with Eagle Plains to acquire up to an 80% interest in the Fisher project, located adjacent to the Seabee Gold Operation, which consists of 53 mineral claims and approximately 34,175 hectares and doubles our prospective land position. See "*Exploration, Production and Development*" below for further details.

We hold a 100% interest in the Seabee Gold Operation through our wholly-owned subsidiary, Claude Resources. The surface and mineral rights we hold at the Seabee Gold Operation are comprised of six mineral leases and 40 mineral claims staked or acquired by Claude Resources. The original ten quartz mineral claims covering the Seabee mine site were consolidated into a single mineral lease (ML 5519) granted by the Provincial Crown in November 1999. In January 1999, after fulfilling the conditions of an option agreement and obtaining a 100% interest in the Currie Rose property, which adjoins the Seabee mine site, a portion of such claims were converted to a mineral lease (ML 5520). Each of ML 5519 and 5520 were renegotiated in June 2002 and expire in 2025. Additional mineral leases were added during 2007 at Santoy 7 (ML 5535) and Porky West (ML 5536), during 2009 at Santoy 8 (ML 5543), and during 2013 at Santoy Gap (ML 5551) and are currently in good standing. The Seabee Gold Operation is currently producing from mineral leases ML 5519, ML 5543 and ML 5551. We are required to pay certain annual rental and mining land taxes for the Seabee Gold Operation and comply with certain other obligations, including completing certain work commitments, to maintain our mining leases and mineral claims in good standing.

The Seabee Gold Operation is subject to certain production and NSR royalties payable to third parties. In 2007, Claude Resources entered into a royalty agreement pursuant to which a basic royalty at fixed amounts per ounce of gold production was granted, along with a net profit interest ("**NPI**") of varying percentages, payable only if gold prices exceed a pre-determined threshold. Subsequent to December 31, 2016, we exercised our call right under the royalty agreement to purchase the equity of the holder of the basic royalty, effectively terminating this royalty obligation. With respect to the NPI, prior to any NPI payment, we are entitled to recover various expenditures, working capital, operating losses, interest charges and asset retirement obligations relating to production at the Seabee Gold Operation. These expenditures are calculated on a cumulative basis and, at December 31, 2016, the cumulative carry forward amounts remained in a deficiency position under the royalty agreement. The NPI expires on December 31, 2017.

In 2014, Claude Resources entered into a royalty agreement to grant a 3% NSR royalty to Orion Mine Finance Fund on gold sales from the Seabee Gold Operation, with such payments paid quarterly in cash or in physical gold at the average price of gold in each calendar month. In the first quarter of 2016, Claude Resources also granted a 1% NSR royalty on gold production from certain acquired mineral claims adjacent to the north portion of the Seabee Gold Operation. We have an option, which does not expire, to repurchase half or 0.5% of this 1% NSR for C$1.0 million.

The Seabee Gold Operation is also subject to royalty payments to the Province of Saskatchewan. Such payments are calculated on 10% of net operating profits and become payable once capital and exploration costs are recovered. To date, there have been no royalty payments made to the province.

For a discussion of permitting and environmental liabilities at the Seabee Gold Operation, see " *Infrastructure, Permitting and Compliance Activities*" below.



Map of Canada Showing the Location of the Seabee Gold Operation

History

The following is a brief chronological description of mining that has occurred at the Seabee Gold Operation prior to our ownership:

- *1947-1983:* The area around Laonil Lake has been intermittently explored since the 1940s, with gold first discovered in 1947 by prospectors acting on behalf of Cominco Inc. ("**Cominco**"). Between 1947 and 1950, Cominco conducted an extensive program of prospecting, trenching, geological mapping and diamond drilling. In 1958, Cominco applied for and was granted 10 quartz mining leases covering the Seabee property. From 1974 through 1983, Cominco conducted detailed drilling and exploration.
- *1983-1985:* In 1983, Cominco sold the Seabee property to BEC International Corporation, who subsequently sold the property to Claude Resources.
- *1985-1988:* In June 1985, Claude Resources optioned the Seabee property to Placer Development Limited (subsequently Placer Dome Inc., "**Placer**"). Placer carried out an extensive exploration program, which included geologic mapping, trenching and stripping, geophysical, geochemical, environmental and metallurgical studies, as well as surface drilling. At the completion of this program, Placer allowed its option to expire in June 1988 and returned the property to Claude Resources.
- *1988-1991:* Claude Resources initiated geological compilation and analytical studies designed to correlate and substantiate the work done by Placer. Cominco Engineering Services Limited ("**Cominco Engineering**") conducted bulk sampling and drilling as part of a feasibility study. A.C.A. Howe International Limited ("**A.C.A. Howe**") completed a Mineral Reserves estimate in December 1988, and Cominco Engineering submitted a positive Feasibility Study in August 1989, as revised in May 1990. Claude Resources made the decision to put the deposit into production and construction of the Seabee mine began in the summer of 1990. The mill was completed in late 1991, and mining commenced at the Seabee mine in December 1991.

- *1992-2011:* In 1998, prospecting and mapping was conducted and several new veins were discovered, including the Porky West zone in 2002 and two significant deposits (Santoy 7, Santoy 8 and Santoy 8 East) in 2004 and 2005. Permit applications for an all-weather access road and bulk sampling were submitted in 2005, and permitting was granted to bulk sample the Santoy 7 and Porky West zones. In 2007, commercial production was attained at the Santoy 7 deposit. In 2008, an economic study was conducted to evaluate the Mineral Resources at Santoy 8 planned for mining. Portal construction and surface infrastructure for the development of the Santoy mine complex were initiated in late 2009. Environmental studies were completed and permits were received for commercial mining of the Santoy 8 and Santoy 8 East deposits in 2010. Underground development continued in 2010, and the Santoy mine complex advanced towards the commercial production decision made during the second quarter of 2011.
- *2012-2015:* The 2012 and 2013 exploration programs focused on exploring the Santoy Gap deposit and its relationship to the Santoy 8 deposit body. In February 2013, the shaft extension project at the Seabee mine was completed to reduce trucking distance and ore handling, resulting in lower diesel consumption, reduced maintenance costs and improved ventilation. In 2014, the ventilation raise at the Santoy Gap deposit was completed, which marked a milestone in driving increased productivity to advance the ore body towards safe and sustainable production, and longhole production was initiated at the Santoy Gap deposit. During 2015, an underground drill chamber was completed to begin drill testing the Santoy 8 plunge continuity.

On May 31, 2016, we completed the acquisition of Claude Resources and the Seabee Gold Operation.

Geological Setting, Mineralization and Deposit Types

Regional Geology

Northern Saskatchewan forms part of the Churchill Province of the Canadian Shield. It has been subdivided into a series of lithostructural crustal units, and the section containing the Seabee Gold Operation has been termed the Glennie Lake domain of the Proterozoic Trans-Hudson Orogen. The Trans-Hudson Orogen is divided into two distinctive zones: the Cree Lake Zone, composed of Early Proterozoic continental-shelf sedimentary rocks that overlie the Archean Hearne Province; and the Reindeer Zone consisting of mid-oceanic ridge basalts, oceanic island-arc basalts, inter-arc volcanogenic sedimentary rocks, and molasse-type sedimentary rocks. Plutonic rocks of various ages and compositions intrude the supracrustal sequences. The Glennie Lake domain is one of the components of the Reindeer Zone.

Local and Property Geology

The Seabee Gold Operation is located within the northern part of the Pine Lake Greenstone Belt, which has a strike-length in excess of 50 kilometers. The belt comprises a variety of geochemically distinct tholeiitic mafic volcanic rocks formed in juvenile island arc settings along with contemporaneous mafic intrusive rocks, volcaniclastics, sediments and felsic intrusions with a relatively wide range in age. Metamorphic grade across the belt ranges from upper greenschist to upper amphibolite, with the Seabee Gold Operation hosted in the latter. The entire Pine Lake Greenstone Belt has been complexly folded by at least four major phases of deformation that can be observed across the property and elsewhere in the Glennie Lake domain.

The Seabee Gold Operation can generally be subdivided into three main geologic domains:

- *Seabee Mine:* The Seabee mine area is hosted within a coarsely layered mafic intrusion dominated by gabbro in the mine sequence;
- *Santoy:* The Santoy area is hosted within sequences of mafic volcano-sedimentary rocks that are separated by generally north-south trending thrust faults; and
- *Porky:* The Porky area is a mineralized trend hosted along a 12 kilometer long, openly folded unconformity separating arenaceous sedimentary rocks of the Rae Lake synform to the north from mafic volcanic rocks of the Seabee mine area to the south.

Mineralization

The Seabee mine gold deposits (2 Vein and 5-1 Shear hosted deposits, including the L62) are hosted in shear structures within the Laonil Lake Intrusive Complex. Gold mineralization occurs within an extensive network of sub-parallel shear structures which crosscut the Laonil Lake Intrusive Complex. Vein mineralogy is dominantly quartz with pyrite, pyrrhotite and chalcopyrite with accessory tourmaline and carbonate. Silicification is the most common alteration type. Gold mainly occurs in the free form as finely disseminated flakes and films replacing pyrite or at sulphide boundaries. The higher grade gold values are often associated with sections rich in sulphides or at vein junctions.

Gold mineralization at the Santoy mine complex gold deposits (Santoy 7, Santoy 8, Santoy 8 East and Santoy Gap) is hosted in “calc-silicate” altered shear structures with diopside-albite +/- titanite-bearing quartz veins, and occurs in gold-sulfide-chlorite-quartz veins in the shear zones, near or in the granodiorite and granite sills. Diopside-albite calc-silicate alteration facies are spatially hosted with ore and are the main host to gold mineralization in the Santoy 8a and Santoy Gap 9A, 9B and 9C zones. Santoy Gap is a mafic volcanic hosted deposit occurring along a major inflexion of the Santoy Shear zone between the Santoy 7 and Santoy 8 deposits.

The brittle-ductile lode gold system that has formed the Porky deposits (Porky Main and Porky West) is hosted along a thick corridor of calc-silicate altered mafic volcanic and arenaceous sedimentary rocks that straddle a major unconformity along the southern margin of the Rae Lake synform. The Porky West deposit is characterized by the same calc-silicate alteration package as the Porky Main deposit, although the unconformity and arenites host most of the auriferous quartz veins at Porky West.

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

Area	Deposit Name	Main Control on Mineralization	Host Rock	Strike-length (m)	Vertical Extent (m)	Thickness (m)	Preferred Trend in Plan
Seabee	L62	Quartz-tourmaline veins in shear zones	Laonil Lake Intrusive Complex gabbro	150	700	1 to 11	E
	2 Vein	Quartz-tourmaline veins in shear zones	Laonil Lake Intrusive Complex gabbro	1,800	1,400	2 to 7	ENE
	5-1 Shear	Quartz-tourmaline veins in shear zones	Laonil Lake Intrusive Complex gabbro	800	1,100	1 to 11	ENE
Santoy	Zone 7	Quartz veins in diopside-albite (calc-silicate) altered shear zones	Mafic metavolcanic rocks and lesser dioritic to granodioritic sills	330	120	2 to 10	N
	Zone 8	Quartz veins in diopside-albite (calc-silicate) altered shear zones	Mafic metavolcanic rocks and lesser dioritic to granodioritic sills	600	500	2.5 to 7	NW
	Zone 8 East	Quartz veins and flooding in sheared and isoclinally folded granodiorite	Granodiorite stock in fold nose near hangingwall contact with mafic metavolcanic rocks	200	250	1.5 to 15	NNW
	Gap	Quartz veins in diopside-albite (calc-silicate) altered shear zones	Mafic metavolcanic rocks and lesser dioritic to granodioritic sills	650	650	2 to 30	NW
Porky	Porky Main	Quartz veins in diopside-chlorite-actinolite (calc-silicate) altered shear zones	Mafic metavolcanic rocks and to a lesser extent arenaceous sedimentary rocks	280	180	1 to 4	SSE
	Porky West	Quartz veins in silicified calc-silicate altered shear zones	Arenaceous sedimentary rocks and to a lesser extent mafic metavolcanic rocks	400	250	1.5 to 12	E

Deposit Types

Each of the Seabee mine, Santoy mine complex and Porky deposits are host to mesothermal, quartz-vein hosted lode gold deposits developed in major brittle-ductile to ductile shear systems. The gold mineralization delineated at the Seabee Gold Operation exhibits complex geometrical patterns arising from a combination of structural and/or lithological controls.

Exploration at the Seabee Gold Operation is guided by applying techniques consistent with the identification of quartz veining characteristic of lode gold systems. Surface exploration, in particular, utilizes airborne magnetic data to identify structural corridors and asymmetrical features, folds and other locales that are known to host gold on the property. This is used in conjunction with regional and detailed outcrop mapping to identify major zones of shearing and alteration, of which calc-silicate variety tends to be the most prospective at the Seabee Gold Operation. Geochemical soil sampling focused on gold and trace element vectors associated with Seabee-style gold mineralization is used as a regional exploration technique, and has been successful in identifying gold mineralization across the property. Once targets have been sufficiently delineated by these methods, diamond drilling at wide spacing is used to test the structural or mineralized systems which would allow for our minimum-threshold deposit size to be identified based on observed local grade.

Exploration

After our acquisition of the Seabee Gold Operation, we initiated a review of the exploration activities conducted by previous owners. We also completed an exploration program which included detailed mapping of the Herb West and Santoy Lake areas with accompanying soil sampling submitted for gold assay. Historically, the Herb West area was mapped by Placer and Claude Resources, but did not see significant drilling until 2015. Results from grab sampling and minor soil sampling included a few anomalous occurrences but no new showings or gold-in-soil trends were discovered. Mapping will continue in additional areas further to the north and east as additional shear zones are targeted within the Herb West area.

The Santoy Lake mapping area extends from Santoy Lake to the west end of the Santoy mine complex. Soil sampling over the same area resulted in the recovery of 501 soil samples over a grid east of Santoy Lake. Soil samples were taken every 25 meters on lines spaced 200 meters apart. Although no significantly anomalous trends were identified during the first phase of sampling, the most prospective areas of the soil grid lie to the east and west of the 2016 program area.

Drilling

Prior to our acquisition of the Seabee Gold Operation, as at December 31, 2015, a total of 2,037 surface drillholes for approximately 389,281 meters of surface drilling and 4,818 underground drillholes for approximately 861,514 meters of underground drilling had been completed.

For the year ended December 31, 2016, a total of 51 surface drillholes for approximately 19,817 meters of surface drilling and 306 underground drillholes for approximately 65,021 meters of underground drilling were completed, as set out in the table below.

Drilling Program	Company	No. Surface Holes	Surface Meters[1]	No. Underground Holes	Underground Meters[1]	Total Holes	Total Meters[1]
1947-1988	Various mining companies (Cominco, Claude Resources, Placer)	278	35,419	77	6,491	355	41,910
1989-2012	Claude Resources	1,742	344,415	4,190	724,858	5,932	1,069,273
2013-2015	Claude Resources	17	9,447	551	130,165	568	139,612
2016	Claude Resources / Silver Standard	51	19,817	306	65,021	357	84,838
	Total	**2,088**	**409,098**	**5,124**	**926,535**	**7,212**	**1,335,632**

Note:
(1) Figures have rounding applied.

1947 to 1988 Drilling Programs

Between 1947 and 1950, Cominco identified four gold-bearing structures or zones on the Seabee property. In 1961, Cominco conducted its drilling program as part of an overall review of the known property data. In 1974, Cominco drilled to test additional vein structures, and commenced a further drilling program in 1982-1983, but did not complete the entire program before selling the property.

Upon its acquisition of the property, Claude Resources conducted drilling to corroborate Cominco's prior work and property estimates. From June 1985 to June 1988, pursuant to an option agreement with Claude Resources, Placer carried out an extensive surface drilling program.

1989 to 2012 Drilling Programs

Santoy Area

In 1998, work crews conducted basic prospecting and mapping and discovered several new veins at the Santoy area. In 2002, these targets were drill-tested with encouraging results. The Santoy area became the subject of an ongoing exploration program with significant deposits (Santoy 7, Santoy 8 and Santoy 8 East) outlined in 2004 and 2005. The 2005 drilling program was devoted to the Santoy 8 and Santoy 8 East zones, and was carried out to test the north-northwest plunge and dip extensions of the mineralized shear structures outlined in previous drill campaigns.

During 2007, infill drilling continued at Santoy 7 and Santoy 8 to provide more accurate information for proposed mine plans. A drilling program carried out at Santoy 8 and Santoy 8 East provided 25-meter infill data to a depth of 250 meters on the deposits, as well as testing strike and plunge extensions.

Exploration during 2010 continued with a drilling program targeting the Santoy Gap area as well as infill and extension drilling in proximity to Santoy 8. The program was designed to test the Santoy Shear system between the Santoy 7 and Santoy 8 deposits, as well as the down plunge continuity of the Santoy 8 and Santoy 8 East deposits. Historic drill testing of the Santoy Shear system was focused on relatively shallow drillholes with 200 meter spacings. Results from the 2010 program outlined continuity at depth for both the Santoy 8 and Santoy 8 East deposits, and provided encouraging results from the Santoy Gap area.

During 2011, drilling defined the Santoy Gap deposit located between 400 and 900 meters north of the Santoy 8 deposit. Multiple high-grade intervals were intercepted, expanding the strike length and width of the mineralized system. During 2012, exploration focused on exploring the Santoy Gap deposit and its relationship to the Santoy 8 deposit to depths up to 750 meters. Infill and exploration drilling continued to confirm and expand the Santoy Gap system, with drilling completed in and around the Santoy Gap lens and along the Santoy Regional Shear zone. In addition to extending the mineralized system, the program discovered a sub-parallel lens to the Santoy Gap deposit, approximately 150 meters to the east.

Currie Rose Property

In 1995, drilling was conducted at the Currie Rose property to test certain gold bearing structures identified during a prospecting program carried out in the prior year. In 1996, drilling defined the 10 zone, which is adjacent to the western boundary of the Seabee property. The 1997 drilling program encountered veins that were interpreted as extensions of the Seabee 10 and 2c Vein structures. The 1999 drilling program focused on an area of the Currie Rose property to the south and west of the mine trend.

As a follow-up to the preceding year's program, most of the drillholes in 2000 were collared to the west of ML 5520 in the Bird Lake area, exploring for mineralized structures parallel to the Seabee 2 Vein. Other targets in the Porky Lake and Pine Lake areas were also tested. In 2001, six more remote target areas (Scoop, Porky, Herb, Pine, East and West Bird Lakes) were explored. Testing splays and parallel structures, this drilling encountered anomalous gold values within variably sheared host rocks.

In 2002, drilling was focused on a laterally extensive geochemical soil anomaly on the west shore of Porky Lake, which lies three kilometers north of the Seabee mine, and on a series of quartz-bearing shear structures north and east of the No. 5 ramp access. Such drilling resulted in the discovery of the Porky West zone, and produced isolated high gold values over narrow widths at the No. 5 ramp access.

The 2003 drilling program was conducted at the Porky West zone with the objective of delineating this mineralized structure to depth and along strike. This drilling resulted in the discovery of an arenite-hosted high-grade lens named the west zone. The 2004 drilling program included delineation drilling at the Porky Main and Porky West zones and exploratory drilling on the eastern limb of the Porky Lake anticline, also targeting the contact between the mafic metavolcanic rocks and feldspathic arenite.

During 2009, a small diamond drilling program was completed, which extended the Porky West ore shoots down plunge. In 2010, exploration focused on the preliminary evaluation of the Neptune target, located approximately six kilometers north of the Seabee mine. Exploration efforts in 2011 included drilling designed to test the 1.8 kilometer strike length of the soil anomaly to vertical depths of up to 250 meters. In 2012, further drilling at the Neptune target confirmed the sporadic nature of the gold-bearing system.

2013 to 2015 Drilling Programs

The 2013 surface drilling program targeted the down plunge extension of the Santoy Gap and Santoy 8 deposits. Two of the three step-out drillholes returned high grade intercepts, interpreted to extend the Santoy Gap mineralized system down plunge to 650 meters depth and extend Santoy 8's mineralized system 400 meters below the base of the Inferred Mineral Resource. These step-out drill intercepts expanded the footprint of the Santoy mine complex.

The 2014 underground drilling program was designed to define and expand Mineral Reserves and Mineral Resources at the Santoy Gap. Results showed high grade and excellent widths that were hosted within three distinct vein systems, namely Santoy Gap 9A, 9B and 9C. The primary focus of the 2015 underground drilling program was on the infill and expansion of Mineral Reserves and Mineral Resources at Santoy Gap. In addition to the 2015 drilling program at Santoy Gap, an additional 6,000 meter drilling program was initiated to target the plunge continuity of the Santoy 8 deposit. Drilling results from the Santoy Gap up-dip program demonstrated the potential for Mineral Reserve and Mineral Resource expansion. Further drilling results within, down-dip and down plunge of the Santoy Gap Mineral Resource increased confidence in the continuity of the deposit at depth.

2016 Drilling Program

The objective of the 2016 drilling program was to increase and convert Mineral Resources to Mineral Reserves. During 2016, we completed an underground diamond drilling program to upgrade Inferred Mineral Resources and explore further the extensions to the Santoy 8A and Santoy Gap deposits. From surface, drilling was conducted to upgrade the up plunge extension of the Santoy Gap 9A, 9B and 9C Mineral Resources and to complete deeper infill drilling on the Santoy 8A Inferred Mineral Resources.

At the Seabee mine, five drillholes of a planned seven drillhole program were completed on the 15 Vein target, which is a mineralized structure offset along the 19 shear. At the Carr target, located near surface and four kilometers along strike to the north from the Santoy mine complex, we drilled approximately 2,500 meters in nine drillholes over a two-kilometer strike length. At the Herb West target, located 2,200 meters west-north-west of the Seabee mine, we drilled approximately 1,130 meters in four drillholes. Results from drillholes at these three targets revealed shear-hosted quartz-veining structures with gold-bearing sulphide mineralization and warrant follow-up drilling.

Sampling, Analysis and Data Verification

Sample Preparation and Analysis

As a detailed description of each drillhole is logged, including detailed documentation of rock quality and core recovery, any zones of potential mineralization are marked off for sampling, together with three to five samples in both the hanging and foot walls. Samples average one to 1.5 meters in width with 0.3 meter widths taken in places for geological interpretation purposes. This sampling interval was established by minimum or maximum sampling lengths and geological and/or structural criteria.

Samples are chosen based on geology. Lode gold mineralization in the greenstone belts explored have shown through historical exploration programs to have the economic concentrations of gold located within the visually identifiable quartz-sulphide bearing dilation or shear zones within the host rocks. However, our field geologists are also trained to sample any other interval in the core that may have mineralization associated with it, such as simple increases in sulphide mineral content or quartz veining not associated with a known zone.

Once the drillhole has been logged and marked for assay, the core is transferred to the core splitting facility and the selected sections are sawn, bagged and sealed using strict cleanliness guidelines. These sealed and labeled bags are then put into large tubs or sacks that are then sealed with security tags for transport to an approved offsite laboratory.

All samples are assayed by the non-accredited assay lab at the Seabee Gold Operation. Duplicate check assays are conducted at the Seabee Gold Operation as well as TSL Laboratories Inc. ("**TSL**") in Saskatoon, Saskatchewan, an ISO/IEC Standard 17025 accredited laboratory. TSL is independent from Silver Standard. In addition, we conduct an extensive QA/QC program, which includes the insertion of blanks, duplicates and standards, as further described below. Results of the spot checks are consistent with those reported. Two hundred gram samples are pulverized until greater than 80% passes through a 200 mesh screen. Thirty gram pulp samples are then analyzed for gold by fire assay with gravimetric finish (0.01 grams of gold per tonne detection limit).

Quality Control Procedures and Data Verification

Our QA program at the Seabee Gold Operation provides the degree of certainty required to use the resulting data as the basis for further exploration and development. Such program involves the routine placement of control samples to monitor the performance of the laboratories we use, including TSL, all of which are ISO certified and approved and independent from Silver Standard. Each batch of samples that goes into a laboratory's furnace has at least one known powder from a suite of standards purchased from recognized laboratories, resulting in a frequency of 1 in 20, or 5%. A blank sample of a coarse-grained quartz-rich rock is inserted after every sample containing the occurrence of visible gold. During any definition drilling program for the calculation of Mineral Resources, a frequency of one control sample in every 10 samples is used, with a blank following any occurrence of visible gold. Pulp duplicates are run every tenth sample by the laboratory.

Our QC program reviews results from the above control samples and makes the required decisions to either accept the data from each individual batch or to reject the data and request a re-run of a batch. A batch is rejected if the result for the standard exceeds the tolerance of the 95% confidence level stated on the certificates that accompany each standard. With respect to coarse-grained blanks, a batch is rejected if the result is more than 3 times the detection limit of the laboratory. With respect to pulp duplicates, the failure trigger is not as clear-cut due to the lode-gold nature of the mineralization. However, batches will start to be considered for re-run where the duplicates are greater than ±10%.

Sample Security

Drill core is monitored from the moment it is taken out of the ground until it is split and the samples are delivered to the laboratory door. Unauthorized personnel are not permitted access to the drill machines or the core logging and splitting facilities. Samples split for assay are double-bagged within the splitting facility with coded security tags and the laboratory receiving the samples reports any tags that are broken or any sample bags that appear to have been tampered with.

Mining Operations

We use a variety of mining methods to extract ore from the deposits at the Seabee Gold Operation. The selection of the method is dependent upon a variety of factors, including, among others, orebody geometry, dip, location, personnel and equipment availability. The major mining methods include each of the following:

- *Longhole Mining*: Most of the mining is completed by longhole mining. This method is employed in steeply dipping orebodies. Stope strike length is determined based on geotechnical conditions. Cemented backfill or waste rib pillars are used to maximize ore recovery and minimize dilution.

- *Avoca Longhole Mining*: In areas with parallel vein structures, appropriate access along strike of the ore body allows for avoca mining. Ore is blasted at one end of an open stope while dry waste rock fill is added to the other end to limit the length of the exposed wall in order to control and minimize hanging wall dilution.

- *Alimak Mining*: In narrow ore zones or zones with significant capital development requirements, alimak mining is employed to minimize development requirements. Alimak mining requires an upper and lower access point between which an alimak raise is excavated. Production activities can be conducted from the alimak raise itself, or from a development drift excavated off the raise.

At the Seabee mine, the ore zones are accessed by a ramp driven to the 1,200 meter level, and the shaft and hoisting facility provides ore and waste transport to surface, with the ore then conveyed to the mill. At the Santoy mine complex, mining efforts are currently focused on the Santoy Gap deposit. Access to the deposit is by a ramp driven to the 400 meter level, and ore and waste are transported to surface and then to the mill along the all-weather road.

Production at the Santoy Gap deposit is the main contributor of total production at the Seabee Gold Operation. Mineral Reserves and Mineral Resources estimates for the Santoy Gap deposit continue to be important and represent an opportunity due to their proximity to permitted mine infrastructure, low development cost and near-term production potential.

Processing, Recovery and Metallurgical Testing

The mill process consists of a three stage crushing circuit, a three stage grinding circuit, a gravity circuit, followed by cyanide leaching. The leached gold is collected in a carbon-in-pulp circuit, stripped and collected on stainless steel mesh cathodes by electrowinning. The product from electrowinning is refined into doré bars in a bullion furnace.

Mineralogy is generally well-understood, as mining of material at the Seabee Gold Operation has been conducted for over 25 years. The mill has processed ore from a variety of different zones with an average recovery of approximately 96.7%.

Metallurgical testing at laboratories and other facilities is used mainly to investigate potentially deleterious mineralogy and to determine if the test material will perform within acceptable operational ranges. After deposits have been brought into production, estimates of metallurgical performance are primarily based on operational experience.

Metallurgical testing was conducted by Claude Resources during late 2006 and early 2007 for each of the Porky West and Santoy 7 ore zones as part of an economic study. The test consisted of bulk samples of ore batched thru the mill, and indicated recoveries between 90% and 97% using the existing cyanide leach circuit with a gravity concentrator. This mill test was useful in the determination of head and tailings grades, process and reagent requirements, and effluent. No significant issues were identified in any of these criteria with respect to the Porky West and Santoy 7 ore bulk samples. Metallurgical testing of the Santoy Gap ore has not been completed, although mineralogically it is very similar to the Seabee and Santoy 8 ore that is currently being processed.

Such metallurgical tests were primarily for the purpose of qualifying the type of ore as well as metallurgical recoveries. Ore is labelled either “Seabee Type” or “Not Seabee Type”, based on the type of mineralogy and the associated deleterious metals. Such tests also identified the presence of deleterious minerals and other possible problems. On occasion, bulk samples have been processed and monitored through the mill circuit.

All Mineral Reserve and Mineral Resource data is quoted at full grade value with no mill correction factors built in. Mill recoveries are considered in the development of an operating cut-off grade for the Seabee Gold Operation.

Mineral Reserves and Mineral Resources

Mineral Resources at the Seabee Gold Operation are generated by block modeling techniques utilizing Geovia GEMS software. Wireframes are created for all geologic domains hosting the orebodies at the Seabee and Santoy deposits. Block model interpolations are constrained to these geologic domains. Normal kriging is currently used as the interpolation method. Spatially converted diamond drillhole and development assays are used for the interpolation of grade. Geostatistical top cut analysis is conducted and applied to each geologic domain. Block dimensions are 3 meters by 3 meters by 3 meters. Assay lengths are composited to 1.5 meters and top cuts are applied to the composited grade. A combination of linear semi-variography and 3D semi-variography is performed on the cut composite data to determine the search ellipse parameters and variograms to be used. Mineral Resource classification is based on a number of factors, including search ellipse dimensions, mine development, chute continuity and drillhole density.

The major portion of Proven and Probable Mineral Reserves occur within the well-defined shoots currently being mined. The following mining and economic factors are well-established and have been applied to those Mineral Resources thereby resulting in their conversion to Mineral Reserves:

- External dilution can range from 2% to 40%, and averages approximately 11%. Alimak stopes are cable bolted and longhole stopes are backfilled to minimize external dilution.
- Operating recovery ranges from 94% to 96%. Parameters used for dilution and operating recovery are based on ongoing reconciliations of stope designs, mucked tonnage and CMS surveys.
- The specific gravity used in estimating Mineral Reserves and Mineral Resources varies by zone and ranges in value from 2.80 to 2.90. The specific gravities are based on regular test work at the Seabee Gold Operation.

Infrastructure, Permitting and Compliance Activities

Infrastructure

The Seabee Gold Operation hosts permanent facilities to support all mining operations and accommodate personnel. The operation includes a central milling facility and camp facilities, which include room, board, dining and recreation facilities. Employees are employed in the mill, underground operations, surface maintenance, electrical, catering, surface, diamond drilling and technical services areas. The majority of these employees are on a two week-in and two week-out rotation, and are flown to site from various points across Canada with a significant portion from northern Saskatchewan.

Equipment and bulky or heavier supplies are trucked to the site via a 60 kilometer winter road from Brabant Lake on Highway 102. The winter road is typically in use from January through March. An all-weather road providing access from the Seabee mill to the Santoy mine complex was completed in 2006 and continues to be upgraded.

Electrical power is provided by a transmission line to the operation by the provincial power authority, Saskatchewan Power Corporation. During 2009, the construction of a power line extension from the Seabee mine to the Santoy mine complex was completed. The Seabee Gold Operation is connected to a 138 KV hydroelectric power line from Island Falls, Saskatchewan. The supply of potable water is obtainable locally through a potable water system.

Regulatory approval was received in 1991 to deposit mill effluent and tailings into the dewatered East Lake. By the end of 2004, the East Lake Tailings Management Facility ("**TMF**") was near capacity and a new TMF at Triangle Lake was proposed. Conditional regulatory approval to deposit tailings in Triangle Lake was obtained in 2004. The TMF at Triangle Lake includes two containment dams, the North Dam and South Dam, at the north and south ends of the Triangle Lake basin, respectively. The North Dam provides tailings containment between Triangle Lake and Pine Lake, while the South Dam diverts surface runoff from the lowlands south of Triangle Lake and provides tailings containment. Capital investments at the Seabee Gold Operation in 2017 include the replacement of the current water treatment plant related to tailings water discharge.

The Seabee Gold Operation's current TMFs have the capacity to store tailings from milling ore from the Seabee mill until approximately 2020. We are currently in the process of planning tailings capacity expansion beyond 2020 to support the extension of the Seabee Gold Operation's mine life and provide additional capacity to process ore from the Santoy mine complex.

Environmental, Permitting and Social Responsibility

The Seabee Gold Operation has been the subject of mining activities since 1991. Impacts of mining on the local environment are generally the result of the deposit of tailings and associated mine effluents. Surface and groundwater monitoring are undertaken as required under applicable Provincial and Federal regulations.

Contamination of the local watershed is mitigated by the collection and treatment of run-off from many of these sources. Noise levels are not an issue due to the distance of the Seabee Gold Operations from the nearest community. Operations do not significantly impact the local air quality.

A Preliminary Decommissioning and Reclamation Plan for the Seabee Gold Operation was updated and filed with the Government of Saskatchewan's Ministry of Environment in 2007 following a compilation of existing site data gathered from internal records and background studies conducted by external consultants. The closure plan addressed issues involving environmental protection and public safety and assessed water quality, rehabilitation and reclamation, while considering the future use of the site. An updated decommissioning plan for the Seabee Gold Operation was submitted in April 2011 and received regulatory approval in December 2013. As required by applicable laws, a subsequent update was filed in January 2017 and is currently undergoing regulatory review.

Capital and Operating Costs

The capital and operating cost estimates derived for the Seabee Gold Operation are based on a combination of historical data and budgetary estimates.

Capital costs are considered to be sustaining capital and are estimated to be C$113.4 million for the life of the Seabee Gold Operation. This total does not include capitalized exploration costs. The life of mine capital costs estimate is shown in the table below.

Capital Costs	Total (C$ Millions)
Mine Development	58.6
Tailings	10.0
Other sustaining capital	44.8
Total Capital Costs	**113.4**

The life of mine operating costs estimate is C$151.70 per tonne of processed ore, net of mine development costs as per the table above. The breakdown of estimated operating costs for the life of mine is shown in the table below.

Operating Costs	C$/tonne processed
Mine	54.74
Maintenance	22.12
Processing	28.10
G&A	46.74
Total Operating Costs	**151.70**

Exploration, Development and Production

On October 6, 2016, we announced an option agreement with Eagle Plains to acquire up to an 80% interest in the adjacent Fisher project, which lies south on strike from the ore deposits at Santoy Gap and Santoy 8A. To earn a 60% interest in the Fisher project, we are required to spend C$4 million in exploration expenditures, including C$400,000 for the 2016 exploration program conducted by Eagle Plains. In addition, we made a C$100,000 cash payment at closing and are required to make C$75,000 annual cash payments for each of the four years of the option period. Upon earning the 60% interest in the Fisher project, we will have an option to earn an additional 20% interest, for a total of 80%, by making a cash payment of C$3 million, at which time an 80%/20% joint venture with Eagle Plains will be formed to advance the property. Eagle Plains will retain a 2.5% NSR royalty, subject to reduction on certain claims by underlying NSR agreements, which may be reduced by 1% at any time upon payment of C$1 million by the joint venture until commencement of commercial production. We may terminate the option agreement at any time.

In 2017, exploration expenditures are anticipated to be incurred targeting conversion of Mineral Resources to Mineral Reserves at Santoy Gap and Santoy 8 as well as Mineral Resource discovery adjacent to the Seabee mine, along the Santoy Shear trend, and at multiple targets present on existing Seabee Gold Operation claims and on the Fisher project. Capital investments in 2017 are expected to include improvement of gravity recovery in the plant, ventilation improvements at the Santoy mine complex and water treatment plant related to tailings water discharge.

PIRQUITAS MINE

The following disclosure relating to the Pirquitas mine is based, in part, on information derived from 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, Location and Access

The Pirquitas mine is located in the Puna de Jujeña region of northwestern Argentina in the Province of Jujuy, approximately 355 kilometers northwest of the city of San Salvador de Jujuy. There are two main access routes to the Pirquitas mine from 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 road No. 70 and Highway No. 40 are followed northwards to the mine. The second route to the Pirquitas mine from San Salvador de Jujuy follows Highway 9 northwards along the Humahuaca Valley to the town of Abra Pampa. From there, gravel roads Nos. 7 and 70 and Highway No. 40 continue westwards to the mine site.

The mine consists of semi-contiguous mineral exploitation concessions covering a total area of 3,621 hectares. It also includes surface rights covering an area of approximately 7,500 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. 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, and other payments may be required as operations progress. 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 hold a 100% interest in the Pirquitas mine through our wholly-owned subsidiary, Mina Pirquitas, LLC (formerly known as Mina Pirquitas, Inc. 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 exploitation concessions, we are required to make annual fee or "canon" payments to the Argentine government and to exploit such concessions. The Pirquitas mine is also subject to provincial royalties at a rate of 3% on a NSR basis.

For a discussion of permitting and environmental liabilities at the Pirquitas mine, see " *Infrastructure, Permitting and Compliance Activities*" below.



Map of Argentina Showing the Location of the Pirquitas Mine

History

The following is a brief chronological description of mining that has occurred at the Pirquitas mine 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 25 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, with the transfer of the property occurring in May 1996. 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 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 August 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, Mineralization and Deposit Types

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 meters and maximum thickness of 2.5 meters to 3 meters. The other veins of this set typically have strike lengths of between 50 meters and 150 meters, 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.

Deposit Types

The Pirquitas deposit is an example of the silver-tin sub-group of the epithermal class of mineral deposits. Also known as Bolivian-type polymetallic deposits, examples of this deposit type are numerous in the Bolivian Tin Belt that extends between the San Rafael deposit in southern Peru and the Pirquitas deposit in northwestern Argentina. Bolivian-type silver-tin deposits generally consist of sulphide and quartz-sulphide vein systems typically containing cassiterite and a diverse suite of base and trace metals, including silver, in a complex assemblage of sulphide and sulfosalt minerals. The vein systems are generally spatially and likely genetically associated with epizonal (subvolcanic) quartz-bearing peraluminous intrusions one to two kilometers in diameter although the mineralization may be entirely hosted by the country rocks into which the intrusive stocks were emplaced.

Exploration

Modern mineral exploration was first conducted during the time Sunshine Argentina held the property. Sunshine Argentina completed relatively detailed geological mapping on the property and commissioned approximately 44 line-kilometers of ground magnetics surveying and 19.2 line-kilometers 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, we have conducted detailed geological mapping in conjunction with extensive intermittent programs of rock chip sampling of bedrock outcrops. Rock chip sampling was also conducted 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 recognized commercial laboratories, including the ALS Chemex ("**ALS**") analytical laboratory in Mendoza, Argentina, using industry standard levels of QC along with standard reference and blank material. ALS is independent from Silver Standard. We have no reason to doubt the reliability of the geochemical results obtained for the outcrop and trench rock chip samples.

The 2014 to 2015 drilling programs completed from underground have provided additional structural and mineralogical information. This helped to constrain the Mineral Resource interpretation and parameters, such as specific gravity.

There was no exploration activity at the Pirquitas mine during 2016 as we focused on advancing the Chinchillas project. See " *Projects – Chinchillas Project, Argentina*" for further details.

Drilling

Initial drilling on the Pirquitas property was conducted by Sunshine Argentina, which drilled a total of approximately 51,864 meters in 241 drillholes. Since acquiring the Pirquitas mine in October 2004, we have drilled a total of approximately 156,212 meters in 635 drillholes, as set out in the table below.

Drilling Program	Drilling Type	Drilling Areas[1]	Drilling Objectives	No. of Drillholes	Meters 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), Médano (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
Jan.-Dec. 2015	Diamond	Chocaya (19), Oploca (19), Médano (2)	Resource Definition	40	9,244
			Total	**635**	**156,212**

Notes:
(1) Number of drillholes completed at each target area shown in parentheses.
(2) Figures have rounding applied. Exact totals prior to 2012 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.

2010 to 2011 Drilling Programs

The majority of this drilling was for resource definition in and around the existing open pit, with the remaining drillholes being exploration drillholes that targeted the Cortaderas Breccia zone and other exploration targets. The earliest drillholes to test the Cortaderas Breccia zone 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. Using the assay results obtained from our drilling program, we amalgamated the Cortaderas Breccia and the Cortaderas Valley zones into the Cortaderas Area.

In 2013, we completed a diamond drilling campaign to test geophysical anomalies which were defined east and north of the San Miguel open pit. The results of the drill testing 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. 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 at that time in that price environment, were not materially significant to the Pirquitas mine.

2014 to 2015 Drilling Programs

In 2014, we completed surface reconnaissance core drilling on prospects proximal to the current open pit operations, testing six 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.

In 2015, we completed the underground drilling program beneath the San Miguel open pit. High grade silver mineralization was intersected on all three veins explored, known as Chocaya, Oploca North and Oploca South veins. The underground drilling program continued to target the expansion and upgrade of Mineral Resources underlying the San Miguel open pit. An engineering study was undertaken to evaluate the potential to exploit this mineralization from underground and to examine its compatibility with other ore sources.

No drilling activities were completed at the Pirquitas mine in 2016.

Sampling, Analysis and Data Verification

2005 to 2008 Drilling Programs

RC Drillhole Sample Preparation and Analysis

Rock cuttings from RC drillholes were collected at regular intervals during the drilling of the holes, typically every one or two meters, 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. 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 the 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 Sample Preparation and Analysis

Diamond drillhole core was transported from the drill site to the core shack. 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 meter 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 meter to 2.0 meter intervals, accounting for lithological contacts. 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. 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 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 2015 Drilling Programs

Sample Preparation and Analysis

All drillhole samples generated from the 2010 to 2015 drilling programs were diamond drillhole core samples. Drill cores were transported from the drill site to the core shack. The cores were photographed before being geotechnically logged (recovery and RQD) and 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 meters in waste rock and one meter or less in mineralized rock. A minimum sample length of 0.3 meters was imposed on samples from highly mineralized structures such as veins, stockworks and hydrothermal breccias. Core samples of 10 cm lengths were collected at various intervals for the purpose of point-load testing. 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 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 2015 drilling programs as was 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. QC samples included three reference standard samples, unmineralized “blank” samples and field duplicate samples. The three reference standards were created 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 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 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 sampling and assaying conducted at the Pirquitas mine:

- Visits to inspect geology and mineralization in the open pit (San Miguel, Chocaya 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 (including in respect of the Oploca and Chocaya zones).
- 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 was analyzed.
- 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 2015 drilling program in conjunction with our database manager, with iterative correction for any anomalies (generally typographic errors, including mislabeled samples and mislabeled 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 by the relevant analytical laboratory, and directly imported into the DataShed database management system. A randomly selected proportion (10%) of the 2010 to 2015 assay data in the DataShed Pirquitas assay database was checked 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 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 Pirquitas 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 of the San Miguel open pit ceased in January 2017. Previously, the Pirquitas mine used a standard open pit mining method and conventional drilling and blasting activities with a pre-split to ensure stable wall rock conditions.

RC grade control drilling was used in the pit to define the structurally controlled vein and breccia hosted ore zones. The depth and relatively lower grade of the ore body made the Mineral Reserves and Mineral Resources at the Pirquitas mine amenable for open pit mining.

Medium grade stockpiles currently constitute the mill feed upon cessation of open pit mining activities. The Pirquitas plant is expected to operate through 2017, conditional upon profitable processing of stockpiles at prevailing market conditions, and to close in late 2017 or early 2018, subject to our investment decision on the Chinchillas project. See "*Projects – Chinchillas Project, Argentina*" for further details.

Processing, Recovery and Metallurgical Testing

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 6,000 tonnes per day. Crushed ore is reclaimed into a conventional closed circuit ball milling circuit.

The maximum milling throughput is currently 5,000 tonnes per day. Mill discharge is pumped through a cyclone system and oversize is fed back into the mill for additional grinding. The ground 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 are then directed to the tailings thickener. Tailings are thickened and stored at a permitted facility on-site.

Since 2010, processing plant operation at the Pirquitas mine has been continuous. The short-term operational control of the plant is monitored and optimized by routine and consistent sampling and analysis procedures, with metallurgical investigations undertaken by the Pirquitas mine's metallurgical group. The analysis of all samples is undertaken by an independently-managed analytical laboratory, operated at the mine site by SGS S.A.

Infrastructure, Permitting and Compliance Activities

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 kilometers 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 kilometers from the processing plant, and we have water rights to 31 liters per second. A camp site is fully operational. The Pirquitas mine is equipped with phone and internet service.

Environmental, Permitting and Social Responsibility

We currently have all material surface and water rights, as well as all material permits, necessary for the current mining operations at the Pirquitas mine. Such material permits include environmental permits, which are updated biannually and remain valid and in force. The processing plant and tailings dam are permitted and operational.

In December 1998, consulting engineering firm Knight Piésold LLC (" **Knight Piésold**") completed an environmental impact assessment (" **EIA**") for Sunshine Argentina. The EIA 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 EIA 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 EIA.

Remnants of historic mining activities at the Pirquitas mine included derelict buildings, mine structures and tin-silver jig tailings and tin placer tailings along the Río Pircas. Flotation tailings had been discharged into the Río Pircas and piles of gold placer tailings were left above the current level of the Río Pircas on paleo-river terraces near the mine

camp. These areas comprise some 107 hectares of surface disturbance that existed prior to Sunshine Argentina's acquisition of the property, some of which are now associated with acid rock drainage into the Río Pircas 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 downstream from the open pit. In addition, acidic and metalliferous ground water is present in the abandoned underground workings and some natural springs in the area, suggesting 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 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 EIA, apart from the mandatory two-year update to the report, was the requirement that water quality monitoring be carried out.

In 2008, a second EIA 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 conceptual plans for mine waste stockpiles. A conceptual water treatment plant for neutralization of acid waters was proposed as a contingency with a treatment capacity estimated to be as much as 150 liters per second. Alternative water management measures to date have reduced the source of acidic waters, and such treatment plant has not yet been required.

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 must 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, which included engineering studies for the design of water management structures and mine closure design, was submitted in December 2016 and is currently under review by the regulatory authorities. The preceding update was submitted in December 2014 and formally approved in January 2016. An addendum to this EIA regarding the closure of the mine was filed in December 2015, which reflected the revised mine plan projecting the completion of the San Miguel pit, with lower grade stockpile processing expected to commence upon cessation of San Miguel open pit mining activities. In July 2016, an updated closure plan, which included more detailed engineering of the selected closure measures and costing for both active closure and longer term care and maintenance, was submitted to the regulatory authorities and is currently under review.

The cessation of San Miguel open pit mining activities in January 2017 has resulted in a significant reduction in workforce, as well as reduced indirect economic benefits to the surrounding and supporting communities. A social impact assessment study was commissioned in 2015 and formed the basis of the social closure plan for the Pirquitas mine. The potential risks, as well as actions to reduce those risks and support the employees and the community, were developed as part of the reclamation and closure plan submitted in 2016. See "*Risk Factors*".

Argentina currently has no specific mine closure legislation other than the requirement to prepare and submit and regularly update an EIA, including with respect to mine closure activity. However, we expect that closure options will be proposed as part of the review of our updated closure plan, and may include passive or active neutralization features to return discharged waters to baseline conditions (acidic at the time of baseline studies) with monitoring requirements. See "*Risk Factors*".

Social and community issues are primarily addressed via a series of interactions with elected officials representing the local communities. Regular meetings are held between our representatives and the group of community leaders.

Capital and Operating Costs

The capital and operating cost estimates derived for the Pirquitas mine are based on a combination of historical data and budgetary estimates.

Capital costs are considered to be sustaining capital and are estimated to be $5.2 million for the 2017 year. The capital costs estimate for 2017 is shown in the table below.

Capital Costs	Total ($ Millions)
Mine	1.8
Plant	2.2
G&A	1.0
Total Capital Costs	**5.2**

The operating costs estimate for 2017 is $21.25 per tonne milled. The breakdown of estimated operating costs for the life of mine is shown in the table below.

Operating Costs	$/tonne milled
Mining and Maintenance	3.14
Processing	12.98
G&A	4.81
Total Operating Costs	**21.25**

Exploration, Development and Production

There was no exploration activity at the Pirquitas mine during 2016 as we focused on advancing the Chinchillas project as an opportunity to extend the mine life at the Pirquitas mine. See "*Projects – Chinchillas Project, Argentina*" for further details.

PROJECTS

Chinchillas Project, Argentina

On September 30, 2015, we signed the Business Combination Agreement with Golden Arrow to explore and evaluate the Chinchillas silver-lead-zinc project, which is located approximately 30 kilometers from the Pirquitas mine. Under the terms of the Business Combination Agreement, we have the option to evaluate the Chinchillas project during a period of up to 18 months (the "**Preliminary Period**") as a mining operation to supply ore to the Pirquitas plant. If we elect to proceed with our option, we will enter into a joint venture comprised of our Pirquitas property and Golden Arrow's Chinchillas project to be owned by us and Golden Arrow on a 75%/25% basis, respectively. We may elect to exercise our option at any time on or prior to March 30, 2017. Upon entering into the joint venture, we would pay Golden Arrow an amount equal to 25% of mine earnings generated by the Pirquitas mine less certain expenditures for exploration (including Chinchillas pre-development expenditures), capital investment and closure costs incurred during the Preliminary Period.

During the second quarter of 2016, Golden Arrow released a revised Mineral Resources estimate and technical report for the Chinchillas project following an infill drilling program of 115 core drillholes comprising 15,142 meters of drilling. As part of the continuing engineering studies, a program of condemnation drilling commenced beneath areas selected for major infrastructure, such as the waste rock facility.

During the third quarter of 2016, 16 core drillholes for 3,252 meters were completed to investigate the presence of near surface mineralization underlying and proximal to the proposed waste rock facility. During the fourth quarter, hydrology and geotechnical drilling was completed for final feasibility studies. In addition to this work, geotechnical, hydrological, metallurgical and environmental baseline studies, along with community engagement programs, continued throughout the year.

Since entering into the Business Combination Agreement, we have funded approximately $12.1 million in expenditures at the Chinchillas project on pre-development activities. In accordance with the Business Combination Agreement, we also paid Golden Arrow C$2 million in four C$0.5 million installments during the Preliminary Period to the end of 2016.

We are undertaking the relevant engineering studies to determine the economic viability of the Chinchillas project as a satellite mine feeding the Pirquitas plant and extending the life of the operation. Pursuant to the Business Combination Agreement, we are required to provide Golden Arrow with notice of exercise of our option by March 30, 2017. A decision with regards to such notice is subject to our remaining technical evaluation, which is scheduled for completion in the first quarter of 2017, as well as our assessment of market conditions and country risks, including the status of our export duty litigation. See "*Legal Proceedings – Export Duties*" for further details.

Perdito Project, California, U.S.

On March 31, 2016, we announced that we entered into an option agreement to acquire a 100% interest in the Perdito project. The project is located 240 kilometers west of Las Vegas, Nevada in Inyo County, California, U.S. and covers an area of approximately 5,780 hectares.

Under the terms of the option agreement, we will explore the Perdito project during a thirty-six month option period. The option agreement includes payments in the aggregate amount of $710,000 to maintain the option in good standing and exercise our right to earn a 100% interest in the Perdito project.

If we exercise our right to acquire the property, we will make annual pre-production payments to the owners in the amount of $250,000 beginning on the fourth anniversary of the date of the Option Agreement and will pay an additional $1,500,000 on commencement of commercial production. We will also grant to the owners a 3% NSR royalty on commercial production, subject to buy-down rights in our favor. We may terminate the option agreement at any time.

During 2016, we completed field work at the Perdito project, including detailed bedrock mapping with accompanying rock and soil sampling, to enhance our understanding of the controls to mineralization prior to drilling, and finalized our application for permits. We have budgeted $1.0 million for drilling at the project in 2017.

Other Projects

Pitarrilla Project, Mexico

The Pitarrilla project is a wholly-owned silver project located within the Municipality of Santa María del Oro and Indé, 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.

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 the feasibility study. A copy of the Pitarrilla Technical Report is available under our profile on the SEDAR website at www.sedar.com.

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 the federal environmental regulator in Mexico, Secretaría de Medio Ambiente y Recursos Naturales, did not approve the EIA for the Pitarrilla open pit mine.

We continue to keep the Pitarrilla project in good standing and fulfill our community and other project-related commitments.

San Luis Project, Peru

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.

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, 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. In order to maintain our EIA approval, we must begin development activities at the San Luis project prior to this date.

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 of these communities. We continue to progress strategies for community engagement and for advancing the San Luis project.

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 Marigold mine, the Seabee Gold Operation and the Pirquitas 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 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. For example, at the Pirquitas mine, Probable Mineral Reserves declined to 9.6 million ounces of silver as at December 31, 2016 due to mine depletion and are contained principally in surface stockpiles, as mining of the San Miguel open pit ceased in January 2017. 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.

The integration of Golden Arrow's Chinchillas project and the Pirquitas mine may not occur as planned.

If we elect to exercise our option to proceed with the joint venture comprised of our Pirquitas property and Golden Arrow's Chinchillas project, the ability to realize the benefits of this joint venture including, among other things, our ability to increase our Mineral Resources and to extend the life of the Pirquitas mine through the combination with the Chinchillas project, will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner following completion of the arrangement. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities and from operational matters during this process. The integration process may result in the disruption of ongoing business and employee relationships that may adversely affect our ability to achieve the anticipated benefits.

Changes in the market prices of gold, silver and other precious 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 gold and silver. 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 gold, silver and other precious metals would affect the profitability of the Marigold mine, the Seabee Gold Operation and the Pirquitas mine and could affect our ability to finance the exploration and development of any of our other mineral properties. The market price of gold, silver and other precious 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 gold or silver 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 the United States, Canada and Argentina, and have exploration projects in Mexico, Peru, 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.

Furthermore, the introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which our operations or business is located, could result in an increase in our taxes, or other governmental charges, duties or impositions. No assurance can be given that new tax laws, rules or regulations will not be enacted or that existing tax laws will not be changed, interpreted or applied in a manner that could result in our profits being subject to additional taxation or that could otherwise have a material adverse effect on us.

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.

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

We maintain our cash and cash equivalents primarily in U.S. dollars. 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 Canada, Argentina, Mexico and Peru 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. 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 net monetary assets denominated in those currencies. As a result, our financial performance and forecasts may be significantly impacted by changes in foreign exchange rates. The acquisition of the Seabee Gold Operation has materially increased our Canadian dollar exchange rate risk. In order to mitigate some of this risk, we have entered into certain hedging arrangements.

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

While we generated net earnings of $65.0 million in the year ended December 31, 2016, we incurred a net loss of $124.3 million in the year ended December 31, 2015, despite having income from mine operations of $18.8 million, and 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 precious metals mining industry, have been and continue to be impacted by these market conditions. Some of the key impacts of these conditions 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 gold and silver 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 9.38% of Pretium's issued and outstanding shares as at March 22, 2017. 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, including each of Silver One, Endeavour Silver, Huayra and Mandalay. We 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. An inability to fully realize value 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 past production and sales of silver concentrate from the Pirquitas mine.

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) ("**Customs**") levied an export duty of approximately 10% from concentrate for projects with fiscal stability agreements pre-dating 2002 and Customs 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 Customs 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. On June 21, 2016 the Federal Court (Jujuy) ruled that the Injunction would remain in place subject to certain conditions, including the provision by August 5, 2016, of a guarantee by Silver Standard against liabilities arising from export duties and applicable interest as well as security from Mina Pirquitas, LLC on certain assets at the Pirquitas mine. We appealed the condition to provide the parent guarantee. On November 17, 2016, the Appeal Court in Salta ruled in favor of the Federal Tax Authority and lifted the Injunction. Our subsequent request for appeal of this ruling to the Supreme Court was approved by the Appeal Court in Salta on December 27, 2016, and the suspension of payment under the Injunction remains in effect. We are also continuing discussions with the Federal Tax Authority and other government officials for potential resolution of the claim. We cannot predict the outcome of the court proceedings and those discussions. If we do not reach a successful resolution of the matter, the Federal Tax Authority may make further application to the court to have the Injunction lifted and initiate proceedings to collect the accrued export duties and its claimed interest. See "*Legal Proceedings – Export Duties*" for further details.

As of December 31, 2016, we have paid $6.6 million in export duties, for which we have filed for recovery. In accordance with the Injunction, we did not pay export duties on silver concentrate but continued to accrue export duties until February 12, 2016 when the Federal Government of Argentina announced the removal of export duties on mineral concentrates. At December 31, 2016, we have accrued a liability totaling $67.1 million, for export duties with no accrual for interest charges, and have recorded a corresponding increase in cost of sales in the relevant periods. The Federal Tax Authority has claimed that interest penalties at the prescribed rate applicable to general Argentine peso-based tax liabilities of 3% per month should be applied to the U.S. dollar export duty from the dates that each duty was accrued. The application of this rate results in a material interest claim of an amount approximately equivalent to the underlying

duties that we have not accrued due to its uncertainty. 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 our litigation. A negative outcome of this litigation could have a material adverse impact on our financial position.

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

We have entered into supply arrangements to sell gold doré being produced at the Marigold mine and the Seabee Gold Operation, and silver concentrate being produced at the Pirquitas 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 and our future operating results may be materially adversely impacted as a result. In addition, should any counterparty to any of our supply arrangements 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 doré or concentrate when such agreements expire, or that our doré or concentrate will meet the qualitative requirements under future supply 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 gold, silver 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 Marigold Technical Report, the Seabee Gold Operation Technical Report, the Pirquitas 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 Resources 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 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.

With the anticipated closure of the Pirquitas plant in late 2017 or early 2018, we will be dependent on two mines for all of our commercial production, and we may be exposed to future development risks.

The Marigold mine, the Seabee Gold Operation and the Pirquitas mine are currently our only mineral properties in production. Any adverse condition affecting mining or processing conditions at the Marigold mine, the Seabee Gold Operation or the Pirquitas mine could have a material adverse effect on our financial performance and results of operations. At the Pirquitas mine, mining of the San Miguel open pit ceased in January 2017. Medium grade stockpiles currently constitute the mill feed. As a result, silver production is expected to decline and cash costs are expected to be higher in 2017, compared to 2016. The Pirquitas plant is expected to operate through 2017, conditional upon profitable processing of stockpiles at prevailing market conditions, and to close in late 2017 or early 2018. We continue to evaluate our right to exercise our option to form a joint venture on the Chinchillas project as an opportunity to extend the mine life at Pirquitas. Our assessment of market conditions and country risk factors, including the status of our export duty litigation, will determine our decision on exercising the option in advance of its expiry on March 30, 2017.

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 fluctuations in currency exchange rates; 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 Marigold mine, the Seabee Gold Operation and the Pirquitas 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.

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

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 Marigold mine, the Seabee Gold Operation and the Pirquitas mine, and to obtain additional external financing where necessary. Any unexpected costs, problems or delays at the Marigold mine, the Seabee Gold Operation or the Pirquitas 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 the Credit Facility, other 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 Marigold mine, the Seabee Gold Operation and the Pirquitas 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 and other approvals 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, the Seabee Gold Operation's tailings management facilities have the capacity to store tailings from milling ore from the Seabee mill until approximately 2020. We are currently in the process of planning tailings capacity expansion beyond 2020. If we do not receive regulatory approval for new or expanded tailings facilities, gold production at the Seabee Gold Operation could be constrained.

In addition, our EIA for the mining operation of the Ayelén deposit at the San Luis project is valid until September 19, 2017. In order to maintain our EIA approval, we must begin development activities at the San Luis project prior to September 19, 2017. If we do not commence such activities prior to this date, we will be required to prepare and submit a new EIA, which will further delay development. We continue to progress strategies for advancing the San Luis project.

We are dependent on our ability to recruit and retain qualified personnel.

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 Marigold mine, the Seabee Gold Operation and the Pirquitas mine and our other activities may have a material adverse effect on our business and financial condition.

We could be subject to potential labour unrest or other labour disturbances, including labour action by our unionized employees at the Pirquitas mine.

Production at the Marigold mine, the Seabee Gold Operation and the Pirquitas 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 salary agreement negotiated with the union in accordance with the collective bargaining agreement will continue in effect until the end of March 2017, and we are in the process of negotiating an extension to such agreement. However, this salary agreement may not prevent a strike or work stoppage at our operations in the future, and any such work stoppage could have an adverse effect on our business. 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 salary agreement on satisfactory terms, or at all. The renewal of the salary 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 Marigold mine, the Seabee Gold Operation and the Pirquitas 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, which may include:

- 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. Over the last several years, such requirements have been changing, with increasing obligations imposed in many jurisdictions.

Updated closure plans with respect to each of the Seabee Gold Operation and the Pirquitas mine have been submitted and are currently under review by the respective regulatory authorities in Saskatchewan, Canada and Argentina. Argentina currently has no specific mine closure legislation that requires such regulatory authority to grant approval in a timely manner or prescribes the conditions that may be attached to such approval if granted. The closure requirements for the Pirquitas mine may change in the future and we may be subject to increased obligations for both the technical and social aspects associated with such mine closure and reclamation, which would impact our closure plan and the duration of our closure activities.

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 assurance 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. At the Pirquitas mine, the present value of our current closure and reclamation cost estimate, to be spent over a number of years, using a discount rate of 10%, is approximately $28.5 million, excluding any salvage value. This estimate is based on conceptual level engineering and the actual mine closure and reclamation costs may differ significantly.

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.

Social and economic changes for employees, their families and the local communities following closure of a mine, including the expected closure of the Pirquitas plant in late 2017 or early 2018, may lead to adverse impacts and unrest.

The cessation of San Miguel open pit mining activities at the Pirquitas mine in January 2017 has resulted in a significant reduction in workforce, as well as reduced indirect economic benefits to the surrounding and supporting communities. We share the responsibility of addressing the broader socio-economic responsibilities in the area with other stakeholders,

including local, regional and federal authorities. There are potentially considerable expectations of the level of support to be provided to these communities that may not be realistic after the cessation of San Miguel open pit mining activities or the anticipated closure of the Pirquitas mine in late 2017 or early 2018, subject to our investment decision on the Chinchillas project. It is possible that this may lead to some level of social unrest, which could adversely affect our business.

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.

Indigenous peoples title claims and rights to consultation and accommodation may affect our existing operations as well as development projects and future acquisitions.

Certain of our properties may be subject to the rights or the asserted rights of various community stakeholders, including indigenous peoples. The presence of community stakeholders may impact our ability to develop or operate our mining properties and projects or to conduct exploration activities. Accordingly, we are subject to the risk that one or more groups may oppose the continued operation, further development, or new development or exploration of our current or future mining properties and projects. Such opposition may be directed through legal or administrative proceedings, or through protests or other campaigns against our activities.

Governments in many jurisdictions must consult with, or require us to consult with, indigenous peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations and permits. Consultation and other rights of indigenous peoples may require accommodation including undertakings regarding employment, royalty payments and other matters. This may affect our ability to acquire within a reasonable time effective mineral titles, permits or licenses in these jurisdictions, including in some parts of Canada, the United States, Argentina, Mexico and Peru in which title or other rights are claimed by indigenous peoples, and may affect the timetable and costs of development and operation of our mineral properties in these jurisdictions. In addition, the risk of unforeseen title claims by indigenous peoples could affect existing operations and development projects. These legal requirements may also affect our ability to expand or transfer existing operations or to develop new projects.

We are subject to assessment by taxation authorities in multiple jurisdictions that arise in the ordinary course of business.

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.

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 during the production stage of a mine. While the balance is expected to be recoverable in full, due to legislative rules and a complex collection process, a significant portion of our VAT receivable balance in Argentina is classified as non-current until government approval of the recovery claim is approved. As of December 31, 2016, our non-current VAT receivables balance was $6.5 million, and our net income was negatively impacted by a non-cash write-down of $3.7 million of this receivable. Even though we recovered VAT routinely in 2016, there have, at times, been significant delays in obtaining final approvals.

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.

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 Canadian *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**") in the United States and Part 3 of National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**") in Canada. 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 and Part 3 of NI 52-109.

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 and our reputation.

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. In addition, 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.

For example, the Canadian *Extractive Sector Transparency Measures Act*, which became effective June 1, 2015, imposes significant annual reporting obligations regarding certain categories of payments made by Canadian resource extraction issuers to domestic and foreign governments at all levels. We will be required to commence reporting in 2017 for payments made during the year ended December 31, 2016. Failure to report or false reporting may result in fines of up to C$250,000 (which may be concurrent). If we find ourselves subject to an enforcement action or in violation of this legislation, this may result in significant penalties, fines and/or sanctions imposed on us resulting in a material adverse effect on our reputation.

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, Durban Platform and the Paris Agreement, are in various phases of discussion or implementation in the countries in which we operate. As a result of the United Nations Framework Convention on Climate Change adopting the Paris Agreement on December 12, 2015, the Paris Agreement came into force in 2016 and the Government of Canada formally ratified this agreement and became one of the first parties to submit a long-term climate action strategy. Furthermore, in late 2016, the Government of Canada announced the *Pan-*

Canadian Framework on Clean Growth and Climate Change , which is intended to facilitate Canada's transition to a low-carbon economy while combatting climate change. 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.

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, increased snow pack 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 facilities at the Seabee Gold Operation depend on regular supplies of consumables (including diesel, tires, sodium cyanide and reagents) to operate efficiently. In the event that the effects of extreme weather events cause prolonged disruption to the delivery of essential commodities or affect the prices of these commodities, our production efficiency at the Seabee Gold Operation may be reduced. Although we make efforts to mitigate these risks by ensuring that extreme weather conditions are included in emergency response plans at our Seabee Gold Operation as required, there can be no assurance that these efforts will be effective and that these risks will not have an adverse effect on our Seabee Gold Operation and therefore profitability.

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

As partial consideration for our disposition of the Diablillos and M-18 projects in Argentina, we received deferred cash consideration, including payments of approximately $1.15 million over the first two years and $13.0 million over the following three to five years. In addition, in connection with our disposition of the Challacollo project, we received as partial consideration the contingent right to receive 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. In addition, upon closing of the sale of our Berenguela project in Peru, we will receive deferred cash consideration of $12.0 million over five years and a NSR royalty on production from the project. We also have a NSR royalty on production from each of the San Patricio, La Palmilla and San Agustín projects in Mexico, the Diablillos and M-18 projects, and the Challacollo, Juncal and La Flora projects in Chile. 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 the United States, Canada and Argentina, 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 mines or projects, 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.

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.

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.

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

Under the indenture dated as of January 16, 2013 (the " **Indenture**") governing our 2.875% convertible senior notes due 2033 (the " **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 Notes, plus any accrued and unpaid interest, if any.

If there is an event of default under the 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.

The Credit Facility contains financial covenants which we could fail to meet.

The terms of our Credit Facility require us to satisfy various affirmative and negative covenants and to meet certain financial ratios and tests. These covenants limit, among other things, our ability to incur further indebtedness if doing so would cause us to fail to meet certain financial covenants, create certain liens on assets or engage in certain types of transactions. Although at present, these covenants do not restrict our ability to conduct our business as presently conducted, there are no assurances that in the future we will continue to satisfy these covenants or we will not be limited in our ability to respond to changes in our business or competitive activities or be restricted in our ability to engage in mergers, acquisitions or dispositions of assets. Furthermore, a breach of these covenants, including a failure to meet the financial tests or ratios, would likely result in an event of default under the Credit Facility unless we can obtain a waiver or consent in respect of any such breach. We cannot assure you that a waiver or consent would be granted. A breach of any of these covenants or the inability to comply with the required financial tests or ratios could result in a default under the Credit Facility. In the event of any default under the Credit Facility, the lenders could elect to declare all outstanding borrowings, together with accrued interest, fees and other amounts due thereunder, to be immediately due and payable, which may have a material adverse impact on our business, profitability or financial condition.

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

Certain of our directors and an officer are directors 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.

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. 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 Marigold mine, the Seabee Gold Operation, the Pirquitas 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 119,401,795 common shares were issued and outstanding as at December 31, 2016. In addition, we had 3,038,707 common shares reserved for issuance pursuant to outstanding stock options, which were exercisable at a weighted average price of C$8.52 per share, as at December 31, 2016. In 2013, we issued the 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 was reconfirmed by shareholders at our annual and special meeting of shareholders in 2015. The Rights Plan has successive three-year terms and will expire at the close of our annual meeting of shareholders in 2018, 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 and special 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, 2016. 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	9,900	$23.14	January 27, 2018
	17,571	$15.41	January 18, 2019
	150,000	$17.47	January 31, 2019
	26,667	$23.57	May 15, 2019
	10,000	$24.41	December 16, 2019
	75,700	$12.99	January 25, 2020
	80,000	$10.10	March 12, 2020
	216,534	$7.37	January 1, 2021
	40,001	$11.18	April 1, 2021
	35,580	$7.26	June 1, 2021
	33,334	$6.48	December 1, 2021
	459,502	$5.83	January 1, 2022
	333,334	$8.38	August 14, 2022
	629,800	$7.17	January 1, 2023
Other Employees and Consultants	3,608	$9.30	January 1, 2017
	18,055	$9.19	March 29, 2017
	10,760	$9.51	May 8, 2017
	1,822	$7.51	January 1, 2018
	6,245	$6.86	March 7, 2018
	20,000	$28.78	March 9, 2018
	18,321	$5.51	April 1, 2018
	12,905	$7.35	January 1, 2019
	71,923	$7.30	February 24, 2019
	65,507	$4.22	February 27, 2019
	12,500	$15.15	March 17, 2019
	2,183	$3.51	June 1, 2019
	18,373	$4.22	October 17, 2019
	6,500	$24.41	December 16, 2019
	5,500	$10.10	March 12, 2020
	70,703	$5.62	March 26, 2020
	11,699	$2.54	April 1, 2020
	2,500	$17.38	August 13, 2020
	10,000	$9.50	September 1, 2020
	7,256	$8.65	December 10, 2020
	11,100	$11.89	January 1, 2021
	59,521	$12.86	March 25, 2021
	38,835	$11.18	April 1, 2021
	101,214	$10.86	May 12, 2021
	11,381	$7.26	June 1, 2021
	2,272	$11.24	June 3, 2021
	2	$1.78	December 11, 2021
	13,334	$5.83	January 1, 2022
	95,672	$6.11	April 1, 2022
	41,153	$3.30	April 7, 2022
	9,220	$4.00	May 6, 2022
	160,720	$7.27	April 1, 2023
Total:	**3,038,707**		

CONVERTIBLE NOTES

2.875% Convertible Senior Notes due 2033

The 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 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 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 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 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 Notes to be redeemed had they remained outstanding until February 1, 2020.

On or after February 1, 2020, we may redeem the Notes, in whole or in part, for cash equal to 100% of the 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 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 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 Notes at a purchase price in cash equal to 100% of the principal amount of the Notes to be purchased, plus any accrued and unpaid interest, if any, to, but excluding, the purchase date.

The Notes are our senior unsecured obligations and rank equally with all of our existing and future senior unsecured indebtedness. The 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)
2016	December	$10.36	$8.00	40,882,564
	November	$12.09	$9.38	46,533,346
	October	$11.81	$10.34	33,204,440
	September	$13.61	$11.97	52,287,375
	August	$15.43	$11.72	57,189,107
	July	$14.87	$12.64	47,033,957
	June	$12.99	$9.03	81,017,684
	May	$9.98	$8.31	48,449,733
	April	$9.39	$5.53	51,457,779
	March	$6.69	$5.33	44,868,065
	February	$6.04	$4.44	34,160,187
	January	$5.24	$3.80	26,960,648

Toronto Stock Exchange

Year		High (C$)	Low (C$)	Volume (no. of shares)
2016	December	$13.75	$10.74	15,497,061
	November	$16.16	$12.71	27,455,103
	October	$15.46	$13.67	17,279,004
	September	$17.55	$15.76	22,351,964
	August	$20.02	$15.39	32,672,438
	July	$19.52	$16.72	27,572,931
	June	$16.77	$11.82	37,965,300
	May	$12.89	$10.69	26,649,698
	April	$11.78	$7.23	32,820,558
	March	$8.93	$7.03	28,528,635
	February	$8.37	$6.21	19,791,944
	January	$7.39	$5.49	16,023,957

PRIOR SALES

The following table summarizes the issuances of stock options by us for the year ended December 31, 2016.

Date of Issue	Number of Securities	Price per Security
January 1, 2016	629,800	C$7.17
April 1, 2016	168,220	C$7.27

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 22, 2017 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 22, 2017, our directors and executive officers as a group beneficially owned, directly or indirectly, or exercised control or direction over 157,342 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 of Directors, 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. 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.

Paul Benson – British Columbia, Canada (Director since August 1, 2015; Not Independent)

Mr. Benson joined Silver Standard as President and Chief Executive Officer on August 1, 2015 and is a member of our Board of Directors. He brings to the company 30 years of experience in various technical and business capacities. Most recently, Mr. Benson was CEO and Managing Director of Troy Resources Limited. Prior to that, for 20 years he held a number of executive and operating roles in Australia and overseas with BHP Billiton, Rio Tinto, and Renison Goldfields. Mr. Benson holds a Bachelor of Science in Geology and Exploration Geophysics and a Bachelor of Engineering in Mining, both from the University of Sydney. He also earned a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia and a Sloan Masters of Science in Management from the London Business School.

Brian R. Booth – British Columbia, Canada (Director since May 31, 2016; Independent)

Mr. Booth has been a member of our Board of Directors since May 2016 and is a member of our Compensation and Safety and Sustainability Committees. He is also the President, CEO and a director of Pembrook Copper Corp., a private mining exploration company and has served as a director on numerous public and private mining companies for over 10 years. Prior to joining Pembrook, he was President, CEO and a director of Lake Shore Gold Corp. and previous to that held various exploration management positions at Inco Limited over a 23 year career, including Manager of Exploration - North America and Europe, Manager of Global Nickel Exploration and Managing Director PT Ingold for Australasia. Mr. Booth holds a B.Sc. in Geological Sciences from McGill University (1983) and was awarded an honorary lifetime membership in the Indonesian Mining Association for service as Assistant Chairman of the Professional Division.

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. He serves on our Audit Committee and during part of 2016 he also served as a member of our Compensation Committee. 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 and on the Advisory Committee of Harvard University's David Rockefeller Center for Latin American Studies. 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, of Tyrus Capital in Monte-Carlo and of Mobile Financial Services Holding, a joint venture of Telefonica International and MasterCard, in Brussels. 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, and is one of our Audit Committee financial experts. Ms. Park graduated with a Bachelor of Commerce (Distinction) from McGill University. She is an FCPA/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).

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

Mr. Paterson is the Chair of our Audit Committee and is one of our Audit Committee financial experts. He also serves on our Corporate Governance and Nominating 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. He retired from Genstar Capital at the end of 2016. 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 40 years of international business experience, including senior leadership roles in several countries. 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 USA. Prior to joining Goldcorp, Mr. Reid spent 13 years at Placer in numerous corporate, mine management and operating roles, including Country Manager for Canadian operations. Mr. Reid has also held leadership positions at Kingsgate Consolidated 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.

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, latterly serving as President and Chief Executive Officer until its acquisition by Barrick in 2006.

OFFICERS

Nadine Block – British Columbia, Canada

Ms. Block has served as our Vice President, Human Resources since July 2014. 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 practice, 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 20 years of mining project finance and advisory responsibilities at Deutsche Banc Alex. Brown and Standard Bank. He has also held corporate positions with responsibilities including finance, acquisitions, metals concentrate marketing, 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. Mr. Martin is a Chartered Professional Accountant, CGA, 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 Chief Operating Officer. Previously, he held the positions of Senior Vice President, Operations and Senior Vice President, Projects with Silver Standard. 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 Secretary. 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
Paul Benson	Prior to joining Silver Standard in August 2015, Mr. Benson was CEO and Managing Director of Troy Resources Limited.
Brian R. Booth	Prior to joining our Board of Directors, Mr. Booth served as Chairman of the Board of Directors of Claude Resources. He is currently the President, CEO and a director of Pembrook Copper Corp.
Gustavo A. Herrero	Mr. Herrero was the Executive Director of the Harvard Business School Latin America Research Center (LARC) until December 31, 2013, and currently also serves on the Harvard Business School Latin American Advisory Board and on the Advisory Committee of Harvard University's David Rockefeller Center for Latin American Studies.
Beverlee F. Park	Prior to joining our 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 served as President, Couverdon Real Estate (TimberWest's land development division). She also currently serves on the Board of Directors of Teekay LNG Partners and TransAlta Corporation.
Steven P. Reid	Mr. Reid held the position of Chief Operating Officer of Goldcorp from January 2007 until his retirement in September 2012. Mr. Reid currently also serves on the Board of Directors of each of Eldorado Gold Corporation and Gold Fields Limited.
Nadine Block	Before joining Silver Standard, Ms. Block provided HR consulting services to various mining organizations as well as other industries.
Jonathan Gilligan	Prior to joining Silver Standard, Dr. Gilligan was Director and Principal Consultant of J M Gilligan Consulting Pty, Ltd. in Australia.
Alan N. Pangbourne	Prior to joining Silver Standard in February 2013, Mr. Pangbourne was the Vice President Projects, South America, at Kinross Gold Corporation.
Kelly Stark-Anderson	Prior to joining Silver Standard in January 2014, Ms. 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 Brian R. Booth	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) Brian R. Booth Beverlee F. Park Steven P. Reid	Independent Independent Independent Independent

CODE OF ETHICS

We have adopted a "code of ethics" (as that term is defined in the Annual Report on 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

Other than as disclosed below, 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.

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.

Other than as disclosed below, 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:

(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.

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 and Ms. Park are our Audit Committee financial experts.

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, 2016 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, Chartered Professional Accountants, in each of the last two financial years are as follows:

Financial Year Ending	Audit Fees[1]	Audit Related Fees[2]	Tax Fees[3]	All Other Fees[4]
2016	C$839,100	--	C$1,550	--
2015	C$696,751	C$70,000	C$33,698	--

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, including review of certain tax forms and application of certain tax rules.

(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

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, Customs levied an export duty of approximately 10% from concentrate for projects with fiscal stability agreements pre-dating 2002 and Customs 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 Tax Authority 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 Tax Authority 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 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.

On June 21, 2016 the Federal Court (Jujuy) ruled that the Injunction would remain in place subject to certain conditions, including the provision by August 5, 2016, of a guarantee by Silver Standard against liabilities arising from export duties and applicable interest as well as security from Mina Pirquitas, LLC on certain assets at the Pirquitas mine. We appealed the condition to provide the parent guarantee. On November 17, 2016, the Appeal Court in Salta ruled in favor of the Federal Tax Authority and lifted the Injunction. Our subsequent request for appeal of this ruling to the Supreme Court was approved by the Appeal Court in Salta on December 27, 2016, and the suspension of payment under the Injunction remains in effect. We are also continuing discussions with the Federal Tax Authority and other government officials for potential resolution of the claim. We cannot predict the outcome of the court proceedings and those discussions. If we do not reach a successful resolution of the matter, the Federal Tax Authority may make further application to the court to have the Injunction lifted and initiate proceedings to collect the accrued export duties and its claimed interest. The lifting of the Injunction does not impact our underlying challenge of the legality of the application of export duties or remedies available under the Fiscal Agreement.

As of December 31, 2016, we have paid $6.6 million in export duties, for which we have filed for recovery. In accordance with the Injunction, we did not pay export duties on silver concentrate but continued to accrue export duties until February 12, 2016, when the Federal Government of Argentina announced the removal of export duties on mineral concentrates. At December 31, 2016, we have accrued a liability totaling $67.1 million for export duties with no accrual for interest charges and have recorded a corresponding increase in cost of sales in the relevant periods. The Federal Tax Authority has claimed that interest penalties at the prescribed rate applicable to general Argentine peso-based tax liabilities of 3% per month should be applied to the U.S. dollar export duty from the dates that each duty was accrued. The application of this rate results in a material interest claim of an amount approximately equivalent to the underlying duties that we have not accrued due to its uncertainty. In addition to our challenges on the underlying application of the export duties, we are also challenging the Federal Tax Authority's claim for interest and the rate upon which it claims interest.

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 statements of income (loss).

CRA REASSESSMENT

On January 27, 2015, we received the 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. On April 20, 2015, we filed a Notice of Objection with the CRA and, on September 15, 2015, we filed a Notice of Appeal with the Tax Court of Canada to dispute the NOR.

On August 8, 2016, we announced that we executed minutes of settlement (the " **Settlement Agreement**") with the DOJ to resolve the NOR in our favor. Pursuant to the terms of the Settlement Agreement, the CRA issued a new notice of reassessment for each of the 2010 and 2011 taxation years reversing the NOR, and refunded to us our deposit of $18.2 million, plus accrued interest. On September 7, 2016, the DOJ filed a notice of discontinuance of our appeal with the Tax Court of Canada.

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, 2016, 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. Indemnity agreements made effective as of March 1, 2014 between Silver Standard and each of A. E. Michael Anglin, Gustavo A. Herrero, Richard D. Paterson, Steven P. Reid, Peter W. Tomsett, W. John DeCooman, Gregory J. Martin, Alan N. Pangbourne and Kelly Stark-Anderson;
4. Indemnity agreement made effective as of May 20, 2014 between Silver Standard and Beverlee F. Park;
5. Indemnity agreements made effective as of August 6, 2014 between Silver Standard and each of Nadine J. Block and Jonathan Gilligan;
6. Indemnity agreement made effective as of August 1, 2015 between Silver Standard and Paul Benson;
7. Arrangement Agreement dated March 7, 2016 between Silver Standard and Claude Resources, as amended by an Amending Agreement made effective as of March 30, 2016 between Silver Standard and Claude Resources; and
8. Indemnity agreement made effective as of May 31, 2016 between Silver Standard and Brian R. Booth.

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 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, 2016: 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, Cameron Chapman, P.Eng., Kevin Fitzpatrick, P.Eng., Jeffrey Kulas, P. Geo., B. Skanderbeg, P.Geo., Gordon Reed, P.Eng., Warwick S. Board, P.Geo., R. Bruce Kennedy, P.E. and Sebastien Bernier, P.Geo.

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, Thomas Rice, Cameron Chapman, Kevin Fitzpatrick and Jeffrey Kulas (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 Professional Accountants, provided an auditor's report dated February 23, 2017 in respect of our financial statements for the year ended December 31, 2016. PricewaterhouseCoopers LLP, Chartered Professional Accountants, has advised us that they are independent with respect to Silver Standard in accordance with the Code of Professional Conduct of the Institute of Chartered Professional 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 and special meeting of shareholders to be held on May 4, 2017.

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, 2016, 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 22, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

"*Paul Benson*"

Paul Benson
President and Chief Executive Officer

SCHEDULE "A"
AUDIT COMMITTEE CHARTER
(updated November 2016)

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.

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 and Ethics, Anti-Corruption Compliance Policy, Corporate 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.

5. **Internal Audit Function**

The duties and responsibilities of the Committee as they relate to the internal audit function shall be as follows:

a) review and approve the annual internal audit plan;

b) review the significant findings prepared by the internal auditor and recommendations issued by any external party relating to internal audit issues, together with management's response thereto;

c) review the adequacy of the resources of the internal audit function to ensure the objectivity and independence of the internal audit function;

d) consult with management on management's appointment, replacement, reassignment or dismissal of any personnel engaged in the internal audit function;

e) ensure that the individual responsible for the internal audit function has access to the Chair of the Committee, the Chair of the Board, the Chief Executive Officer and the Chief Financial Officer, and periodically meet separately with such individual to review any problems or difficulties he or she may have encountered and specifically:

i) any difficulties that were encountered in the course of the internal audit work, including restrictions on the scope of activities or access to required information and any disagreements with management;

ii) any changes required in the planned scope of the internal audit; and

iii) the internal audit function's responsibilities, budget and staffing;

f) and report to the Board on such matters.

SILVER STANDARD RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016

1. FOURTH QUARTER AND FULL YEAR 2016 HIGHLIGHTS
2. OUTLOOK
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5. REVIEW OF PROJECTS AND MINERAL RESERVES AND MINERAL RESOURCES
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10. FINANCIAL INSTRUMENTS AND RELATED RISKS
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13. NON-GAAP AND ADDITIONAL GAAP FINANCIAL MEASURES
14. CRITICAL ACCOUNTING POLICIES AND ESTIMATES
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16. INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES
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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, 2016

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, 2016, 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 23, 2017, and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2016.

Additional information, including our most recent Annual Information Form and Annual Report on 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 and additional GAAP financial measures in this MD&A which are described in section 13. 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 2016 HIGHLIGHTS

- **Strong financial performance:** Generated cash from operations of $170.7 million in 2016 and increased our cash position by $115.3 million to $327.1 million. Generated net earnings of $65.0 million or $0.63 per share and adjusted net earnings of $100.3 million or $0.97 per share. Quarterly cash from operations of $74.1 million, net earnings of $12.1 million or $0.10 per share and adjusted net earnings of $30.8 million or $0.26 per share.
- **Delivered on scale and margin:** Record production of 393,325 gold equivalent ounces at cash costs of $653 and AISC of $923 per payable gold equivalent ounce sold for the full year 2016. Fourth quarter production was 110,130 gold equivalent ounces at cash costs of $625 and AISC of $845 per payable gold equivalent ounce sold.
- **Completed the acquisition of Claude Resources:** Purchase of Claude Resources Inc. completed on May 31, 2016, through a share exchange transaction, adding the Seabee Gold Operation, a high quality, free cash generating gold operation in Canada.
- **Increased Mineral Reserves at Marigold and Seabee:** Successful exploration activities in 2016 increased gold Mineral Reserves at our Marigold mine by 31% to 2.84 million ounces and at the Seabee Gold Operation by 50% to 0.36 million ounces.
- **Enhanced our financial flexibility:** Working capital totaled $559.9 million at year-end, an increase of $219.1 million from the end of 2015. Contributing to working capital are marketable securities valued at $148.9 million at December 31, 2016.
- **Sustained efficiencies at Marigold:** Production in the fourth quarter was strongest for the year at 59,945 ounces of gold, taking full year production to 205,116 ounces. Reported 2016 cash costs of $647 per payable ounce of gold sold. Fourth quarter cash costs were $585 per payable ounce of gold sold.
- **Continued operational improvements at Seabee:** Ore milling rates averaged 919 tonnes per day during the fourth quarter of 2016 contributing to annual record gold production of 77,640 ounces and low fourth quarter cash costs and AISC of $595 and $833 per payable gold ounce sold, respectively.

- **Record operating performance at Pirquitas:** Achieved record annual silver production of 10.4 million ounces at cash costs of $9.00 and AISC of $10.21 per payable silver ounce sold due in part to record average annual ore milling rates of 4,846 tonnes per day in 2016, a 14% improvement compared to 2015.

- **Favorable resolution with Canada Revenue Agency:** Settled in our favor the Notice of Reassessment with the CRA, which resulted in the repayment of our deposit of $18.2 million plus accrued interest.

- **Created value from our portfolio:** Completed the sale of the Parral properties in Mexico and the Diablillos project in Argentina for combined consideration of approximately $8 million in retained equity and undiscounted future cash payments of $15 million. Subsequent to year-end, we entered into an option agreement for the Candelaria project in the U.S. and announced the sale of the Berenguela project in Peru for approximately $1 million in equity and undiscounted future cash payments of $12 million and a 9.9% retained interest.

2. OUTLOOK

This section of the MD&A provides management's production, cost, capital, exploration and development expenditure estimates for 2017. 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 2017, we expect:

Operating Guidance		Marigold mine	Seabee Gold Operation	Pirquitas mine
Gold Production	oz	205,000 - 215,000	72,000 - 82,000	—
Silver Production	Moz	—	—	4.5 - 5.5
Cash cost per payable ounce sold [(1)]	$/oz	655 - 705	575 - 625	13.50 - 16.00
Capital Expenditures	$M	30	8	5
Capitalized Stripping / Capitalized Development	$M	17	11	—
Exploration Expenditures [(2)]	$M	5	5	—

(1) We report the non-GAAP financial measure of cash costs per payable ounce of gold and silver sold to manage and evaluate operating performance at the Marigold mine, the Seabee Gold Operation and the Pirquitas mine. See "Non-GAAP and Additional GAAP Financial Measures" in section 13.
(2) Includes capitalized and expensed exploration expenses.

In 2017, on a consolidated basis at mid-point of guidance, we expect to produce 355,000 gold equivalent ounces at gold equivalent cash costs of $735 per ounce. Cash costs and capital guidance are based on $55 per barrel oil price and 1.30 Canadian to U.S. dollar exchange rate. Gold equivalent figures are based on $1,250 per ounce gold price and $17.50 per ounce silver price.

Marigold production is expected to increase compared to 2016 as the mine benefits from the gold ounces stacked on the leach pads through the latter months of 2016 and from continued strong performance in 2017. As a result, production is expected to be weighted towards the first half of the year. Capital expenditures total $30 million and are primarily attributable to mining equipment components of $17 million and replacement of support equipment of $5 million, with $2.5 million allocated for permitting. Capitalized stripping is expected to decline significantly relative to 2016 as mining focuses on the current phases of the Mackay pit. Approximately $11 million of capitalized stripping is expected to be incurred in the second half of the year as we commence stripping of the next phase of the Mackay pit. Despite the decline in mining costs capitalized, cash costs per payable ounce are expected to be similar to 2016. The mine has encountered severe weather conditions through the initial weeks for the first quarter of 2017 that have caused periodic interruptions and inefficiencies to mine and heap leach operations.

At the Seabee Gold Operation, 2017 will mark our first full year of ownership with production expected to remain near record levels of between 72,000 and 82,000 ounces of gold at low cash costs, based on mill throughput of 900 tonnes per day. Annual production is expected to be weighted toward the second half of the year as mine grade is expected to increase as additional levels are developed at the Santoy mine complex through early 2017. Capital investments at Seabee of $8 million include $2 million for improvement of gravity recovery in the plant, $2 million for ventilation improvements to the Santoy mine complex to support a higher mining rate and $3 million for a water treatment plant related to tailings water discharge. Capitalized development of $11 million is principally for Santoy decline development and to establish stations for underground definition and exploration drilling.

At the Pirquitas mine, mining of the San Miguel open pit ceased in January 2017. Medium grade stockpiles currently constitute the mill feed upon cessation of open pit mining activities. As a result, silver production is expected to decline and cash costs are expected to be higher in 2017, compared to 2016. Zinc production is not expected in 2017 due to lower zinc grades in the stockpiled material. As we report cash costs on a per payable ounce sold basis, 2017 expected cash costs include stockpile inventory costs of approximately $3.50 per ounce of silver that were previously incurred. Capital expenditures include approximately $1 million for completion of the tailings facility lift, which commenced in the fourth quarter of 2016 and is scheduled for completion in the first quarter of 2017. The remaining

sustaining capital is for maintaining the re-handle fleet and the mill in fully operational condition. Further, we expect to incur approximately $6 million related to remediation of mining areas in 2017, mainly on surface water control measures. The Pirquitas plant is expected to operate through 2017, conditional upon profitable processing of stockpiles at prevailing market conditions, and to close in late 2017 or early 2018, subject to our investment decision on the Chinchillas project.

We continue to evaluate our right to exercise our option to form a joint venture on the Chinchillas project as an opportunity to extend the mine life at Pirquitas. The completion of our technical evaluation combined with the assessment of market conditions and country risk factors, including the status of our export duty litigation, will determine our decision on exercising the option in advance of its expiry on March 30, 2017.

Exploration and development expenditures are forecast at $18 million for 2017, an increase of $3 million from our previous disclosures. Approximately $5 million of exploration at Marigold is for Mineral Resource discovery and conversion of Mineral Resources to Mineral Reserves, with a particular focus on the Valmy property. At the Seabee Gold Operation, $5 million of expenditures are to be incurred targeting conversion of Mineral Resources to Mineral Reserves at Santoy Gap and Santoy 8 as well as Mineral Resource discovery adjacent to the Seabee mine, along the Santoy Shear trend, and at multiple targets present on existing Seabee Gold Operation claims and on the contiguous Fisher property, where we hold an option. The remaining expenditures are attributable to our development portfolio, including $1 million at the Perdito early-stage exploration property, where we hold an option, and $3 million for the recently agreed earn-in option letter of intent with Eskay Mining Corp.

3. BUSINESS OVERVIEW

Strategy

We are a resource company focused on the operation, acquisition, exploration and development of precious metal resource properties located in the Americas. We have three producing mines and a portfolio of precious metal dominant projects located throughout the Americas. Our focus is on safe, profitable gold and silver production from our Marigold mine in Nevada, U.S., our Seabee Gold Operation in Saskatchewan, Canada, and our Pirquitas mine in Jujuy, Argentina.

Macro-economic environment

Our financial performance is impacted by gold and silver prices. Precious metals prices were stronger in 2016 than in 2015, with gold averaging $1,251 per ounce and silver averaging $17.10 per ounce, compared to $1,160 per ounce and $15.70 per ounce, respectively, in 2015. Gold prices weakened in the fourth quarter of 2016, averaging $1,219 per ounce, below the $1,335 per ounce in the third quarter of 2016. Silver prices also weakened in the fourth quarter of 2016 to an average of $17.17 per ounce from an average of $19.61 per ounce in the third quarter of 2016. Gold price closed at $1,146 per ounce and silver price closed at $16.24 per ounce on December 31, 2016, but both improved above these levels following year end.

The principal factors impacting precious metals prices in the fourth quarter were the U.S. interest rate increase and expectations of economic growth and fiscal stimulus under the new presidency leading to higher expectation of future rate increases. These factors were somewhat supported by weaker Chinese physical demand for precious metals due to slower growth in that country.

The U.S. dollar to Canadian dollar exchange rate remained at levels comparable with the end of the third quarter. During the fourth quarter, the Canadian dollar averaged and closed at 1.34 Canadian dollars per 1 U.S. dollar on December 31, 2016. Our exposure to Canadian dollar-based costs increased significantly following our acquisition of Claude Resources Inc. (“Claude Resources”) on May 31, 2016, and as a result, in the fourth quarter of 2016 we initiated a risk management hedging program to protect a portion of our Canadian dollar operating costs through 2017.

The Argentine peso devalued by 22% in 2016, closing at 15.89 Argentine pesos per 1 U.S. dollar on December 31, 2016. While a weaker currency is positive for our Argentine operating costs, the high inflation rates in Argentina, which persisted through 2016, offset the benefits of the devaluation of the currency.

West Texas Intermediate (“WTI”) oil prices decreased in 2016 compared to 2015, to an average of $47.11 per barrel from an average of $53.53 per barrel. During the fourth quarter of 2016, WTI oil prices increased and averaged $50.38 per barrel and closed at $53.72 per barrel, still well below price levels experienced over the last three years. Diesel is a significant consumable at our operations and the movement in diesel prices can have a significant impact on the cost structure at all of our mines. We intend to continue with our program to hedge a portion of our diesel usage to manage price risk of this consumable through 2017.

Consolidated financial summary

Selected Financial Data [1]	Three Months Ended December 31		Year Ended December 31	
	2016	2015	**2016**	2015
	$	$	**$**	$
Revenue	**127,317**	90,592	**490,986**	375,322
Income (loss) from mine operations [2]	**27,456**	(20,485)	**154,006**	18,840
Operating income (loss) [2]	**23,506**	(46,819)	**112,605**	(71,063)
Net income (loss) for the period	**12,132**	(66,722)	**64,957**	(124,302)
Basic income (loss) per share	**0.10**	(0.83)	**0.63**	(1.54)
Adjusted income (loss) before tax [3]	**32,707**	(8,266)	**116,778**	2,124
Adjusted net income (loss) [3]	**30,750**	(7,232)	**100,302**	(8,197)
Adjusted basic income (loss) per share [3]	**0.26**	(0.09)	**0.97**	(0.10)
Cash generated by operating activities	**74,130**	20,549	**170,684**	74,109
Cash used in investing activities	**(24,042)**	(10,576)	**(43,264)**	(44,342)
Cash generated by (used in) financing activities	**336**	1,893	**(11,064)**	244

Financial Position	December 31, 2016	December 31, 2015
Cash and cash equivalents	327,127	211,862
Marketable securities	148,944	88,184
Current assets - total	704,240	476,734
Current liabilities - total	144,306	135,851
Working capital	559,934	340,883
Total assets	1,438,688	871,677

(1) All values are presented in thousands of U.S. dollars, except per share values.

(2) The quarters ended December 31, 2016, and December 31, 2015, include non-cash provisions to income (loss) from mine operations of $9.4 million and $24.6 million, respectively, and the quarter ended December 31, 2015, includes additional impairment charge to operating (loss) of $13.9 million. The years ended December 31, 2016 and December 31, 2015, include non-cash provisions to income (loss) from mine operations of $9.4 million and $32.3 million, respectively, and the year ended December 31, 2015, includes additional impairment charge to operating (loss) of $48.4 million.

(3) We report non-GAAP financial measures including adjusted income before- and after-tax and adjusted basic income per share, to manage and evaluate our operating performance. See "Non-GAAP and Additional GAAP Financial Measures" in section 13.

Quarterly financial summary

The 41% increase in quarterly revenue in the fourth quarter of 2016 compared to the fourth quarter of 2015 was due to 15% and 14% higher realized prices of gold and silver, respectively, combined with a 13% increase in gold equivalent ounces sold to 110,130, largely due to sales from the acquired Seabee Gold Operation and stronger sales from the Pirquitas mine.

Income from mine operations in the fourth quarter of 2016 generated a gross margin of22%, significantly higher than the negative 23% gross margin in the fourth quarter of 2015 due to higher precious metals prices, lower cost of sales, particularly at the Pirquitas mine, and the addition of the Seabee Gold Operation. Income from mine operations in the fourth quarter of 2016 included a severance provision of $5.7 million related to the closure of the Pirquitas mine and$3.7 million in non-cash write downs of supplies inventory and value added tax ("VAT") receivable. Loss from mine operations in the fourth quarter of 2015 was negatively impacted by a non-cash write-down of stockpile inventory to its net realizable value (“NRV”) at the Pirquitas mine in the amount of $7.7 million, a $12.2 million non-cash provision against supplies inventory and a $4.7 million severance provision related to the Pirquitas mine. Operating loss in the fourth quarter of 2015 was also negatively impacted by a $13.9 million non-cash impairment of plant and equipment at the Pirquitas mine.

In the fourth quarter of 2016 we generated a gain of $6.5 million from the sale of the Parral properties in Mexico and the Diablillos project in Argentina. We did not sell any mineral properties in the comparative quarter of 2015. Additionally, in the fourth quarter of 2016 we incurred withholding taxes of $4.9 million on the repatriation of funds from Argentina due to the strong cash generation of the Pirquitas mine during 2016.

Cash generated by operating activities increased significantly to $74.1 million in the fourth quarter of 2016 compared to $20.5 million in the fourth quarter of 2015. The higher prices of gold and silver and the higher volumes sold at lower unit costs generated significantly higher cash from operating activities. We used $24.0 million in investing activities in the fourth quarter of 2016 compared to $10.6 million in the fourth quarter of 2015. Investments in the fourth quarter of 2016 increased compared to the fourth quarter of 2015 due to the addition of the Seabee Gold Operation, a tailings lift build at the Pirquitas mine and a high quarter of capitalized stripping at the Marigold mine. Capitalized stripping at the Marigold mine was $10.2 million and underground development at the Seabee Gold Operation was $2.4 million.

Annual financial summary

The increase in revenue in 2016 compared to 2015, of 31%, resulted from 18% higher sales of gold equivalent ounces due to sales from the newly-acquired Seabee Gold Operation, strong performance at the Pirquitas mine and 10% and 7% higher prices of gold and silver, respectively.

Income from mine operations in 2016 generated a gross margin of 31%, higher than the 5% in 2015, mainly due to higher precious metals prices and lower cost of sales, particularly at the Pirquitas mine. Income from mine operations in 2016 was negatively impacted by a severance provision related to the Pirquitas mine of $5.7 million and by $3.7 million of non-cash write downs of inventory and VAT receivable. Income from mine operations in 2015 was also negatively impacted by a severance provision related to the Pirquitas mine of $4.7 million and by the non-cash write-down of stockpile and supplies inventory at the Pirquitas mine of $27.6 million. Operating income in 2016, was also significantly higher than in the comparative period which was negatively impacted by a $48.4 million impairment of the Pirquitas mine.

Cash generated from operating activities was $170.7 million in 2016, compared to $74.1 million in 2015 as a result of improved margins at Marigold and Pirquitas and the addition of the strong cash producing Seabee Gold Operation in May 2016. In 2016, we invested $5.4 million in underground development at the Seabee Gold Operation, $32.6 million in capitalized stripping primarily at the Marigold mine and $42.3 million in total at our operations for plant and equipment. In 2015, we invested $37.3 million in plant and equipment and $12.5 million in capitalized stripping, mainly at the Marigold mine. Overall, cash used in investing activities was slightly lower in 2016, than in 2015 at $43.3 million. Cash used in financing activities in the year includes repayment of Claude Resources' $13.7 million credit facility, full repayment of the short-term debt in Argentina offset by the receipt of $6.7 million from the exercise of stock options. There were limited financing cash flows in 2015.

Corporate summary

In 2016, the tax dispute with the Canada Revenue Agency (“CRA”) was settled in our favor. On August 24, 2016, the CRA issued a new notice of reassessment for each of our 2010 and 2011 taxation years reversing the Notice of Reassessment (“NOR”) issued to us in January 2015 and, on September 2, 2016, refunded $18.2 million being the deposit we paid to the CRA to appeal, plus accrued interest from the date of payment of the deposit. Following the receipt of the deposit, with accrued interest, the Department of Justice (“DOJ”) filed a notice of discontinuance of our appeal with the Tax Court of Canada.

On August 19, 2016, we sold 100% of our Juncal and La Flora projects in Region II, Chile to Austral Gold Limited for aggregate consideration of $250,000 in cash and a 1.0% net smelter return royalty on production from the projects.

On October 31, 2016, we completed the sale of 100% of our Parral properties in Chihuahua, Mexico, including the Veta Colorada, La Palmilla, and San Patricio properties (collectively, the “Parral properties”) to Endeavour Silver Corp. (“Endeavour Silver”) for $5.3 million of Endeavour Silver shares and the right to receive $0.2 million of Endeavour Silver shares for each 1 million silver ounces included in an estimate of Measured and Indicated Mineral Resources prepared by Endeavour Silver in respect of the San Patricio and La Palmilla properties, plus a 1% net smelter royalty on all mineral products from the San Patricio and La Palmilla properties.

On November 1, 2016, we completed the sale of our Diablillos and M-18 projects, located in Argentina, to Huayra Minerals Corporation ("Huayra") for cash payments of approximately $1.5 million over the first two years and $12.5 million over the following three to five years, a 19.9% equity stake in Huayra, with free carried interest until the completion of a financing of $5.0 million or more, and a 1% net smelter returns royalty on production from each of the projects.

Subsequent to the year end, in January 2017, we agreed to option our Candelaria property in Nevada, U.S. to Silver One Resources Inc. (“Silver One”) for $1.0 million of Silver One shares issued on January 20, 2017, and three annual installments of $1.0 million in shares of Silver One.

On February 13, 2017, we announced the signing of a definitive agreement to sell our Berenguela project in Peru to Valor Resources Limited ("VRL") for aggregate cash payments of $12.0 million over five years, a 9.9% equity stake in VRL, with a free carry interest until VRL completes, in aggregate, a financing of $8 million, and a 1% net smelter royalty on all metal production from the property.

4. RESULTS OF OPERATIONS

Consolidated results of operations

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

	Three months ended				Total	
Operating data [1]	**December 31, 2016**	September 30, 2016	June 30, 2016	March 31, 2016	**2016**	2015
Consolidated production and sales:						
Gold produced (oz)	**79,656**	67,598	53,916	50,520	**251,690**	207,006
Silver produced ('000 oz)	**2,210**	3,047	2,526	2,639	**10,422**	10,339
Gold sold (oz)	**78,537**	69,189	58,430	48,605	**254,761**	206,338
Silver sold ('000 oz)	**2,633**	2,947	2,594	3,223	**11,397**	10,294
Cash costs ($/oz) - payable gold from Marigold mine [2]	**585**	636	663	719	**647**	692
Cash costs ($/oz) - payable gold from Seabee Gold Operation [2,5]	**595**	661	663	—	**639**	—
Cash costs ($/oz) - payable silver from Pirquitas mine [2]	**9.80**	8.48	8.87	8.93	**9.00**	10.68
Gold equivalent production (oz) [3]	**110,130**	112,559	86,956	83,680	**393,325**	349,095
Realized gold price ($/oz) [2]	**1,243**	1,331	1,263	1,189	**1,261**	1,151
Realized silver price ($/oz) [2]	**17.14**	19.64	16.52	14.94	**17.05**	15.92
Consolidated costs:						
Cash Costs per equivalent gold ounce sold ($/oz) [2,3,5]	**625**	618	669	715	**653**	723
AISC per equivalent gold ounce sold ($/oz) [2,3,5]	**845**	940	1,061	859	**923**	963
Financial data ($000s)						
Revenue	**127,317**	143,381	118,775	101,513	**490,986**	375,322
Income from mine operations [4]	**27,456**	59,190	44,062	23,298	**154,006**	18,840

(1) The data presented includes results from the Seabee Gold Operation for the period from May 31, 2016, to December 31, 2016, the period for which we were entitled to all economic benefits of the Seabee Gold Operation, following our acquisition of Claude Resources.

(2) We report the non-GAAP financial measures of cash costs, realized metal prices and all-in sustaining costs ("AISC") per payable ounce of precious metals sold 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 (loss), please refer to “Non-GAAP and Additional GAAP Financial Measures” in section 13.

(3) Gold and silver equivalent ounces have been established using the realized gold and silver prices in the period and applied to the recovered metal content produced by the mines.

(4) Income from mine operations for the quarter and year ended December 31, 2016, includes $5.7 million of severance provision related to the Pirquitas mine and $3.7 million of non-cash write-down of supplies inventory and VAT receivable. Income from mine operations for the annual period ended December 31, 2015, include $27.6 million of non-cash adjustments to stockpile and supplies inventory at the Pirquitas mine to its NRV and severance provision.

(5) The non-GAAP financial measure of cash costs from the Seabee Gold Operation was adjusted to eliminate the adjustment of inventory to fair value as at the date of our acquisition of Claude Resources.

Marigold Mine, U.S.

	Three months ended				Total	
Operating data	**December 31, 2016**	September 30, 2016	June 30, 2016	March 31, 2016	**2016**	2015
Total material mined (kt)	**19,559**	19,558	18,685	17,291	**75,093**	74,592
Waste removed (kt)	**13,123**	14,741	12,005	11,611	**51,480**	54,054
Total ore stacked (kt)	**6,436**	4,817	6,680	5,680	**23,613**	20,538
Strip ratio	**2.0**	3.1	1.8	2.0	**2.2**	2.6
Mining cost ($/t mined)	**1.52**	1.48	1.55	1.45	**1.50**	1.56
Gold stacked grade (g/t)	**0.48**	0.42	0.44	0.47	**0.45**	0.45
Processing cost ($/t processed)	**0.80**	0.95	0.70	0.71	**0.78**	0.81
Gold recovery (%)	**75.0**	71.0	70.7	70.0	**72.0**	70.6
General and admin costs ($/t processed)	**0.46**	0.56	0.38	0.47	**0.46**	0.51
Gold produced (oz)	**59,945**	47,456	47,195	50,520	**205,116**	207,006
Gold sold (oz)	**61,308**	47,278	47,124	48,605	**204,315**	206,338
Realized gold price ($/oz) [1]	**1,247**	1,330	1,259	1,189	**1,255**	1,151
Cash costs ($/oz) [1]	**585**	636	663	719	**647**	692
AISC ($/oz) [1]	**835**	1,139	1,067	841	**960**	895
Financial data ($000s)						
Revenue	**77,047**	62,831	59,197	57,742	**256,817**	237,296
Income from mine operations	**28,648**	23,156	17,641	11,227	**80,672**	57,539
Capital investments	**3,271**	8,310	10,154	8,796	**30,531**	22,595
Capitalized stripping	**10,171**	13,787	7,231	1,435	**32,624**	12,543
Exploration expenditures [2]	**1,276**	1,145	1,597	1,102	**5,120**	6,204

[1] We report the non-GAAP financial measures of cash costs per payable ounce of gold sold, realized gold prices and AISC 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 and Additional GAAP Financial Measures” in section 13.

[2] Includes capitalized and expensed exploration expenditures.

Mine production

In the fourth quarter of 2016, the Marigold mine produced59,945 ounces of gold, 26% higher than the previous quarter as expected, due to higher grade ore tonnes sourced from the deeper benches of the current Mackay pit phase during the third and fourth quarters of 2016. Higher grade ore was placed on the new leach pad, completed in the third quarter of 2016, which assisted in accelerated gold recovery.

A total of 19.6 million tonnes of material were mined in the fourth quarter of 2016, in line with material mined in the third quarter. Approximately 6.4 million tonnes of ore were delivered to the heap leach pads at a gold grade of0.48 g/t. This compares to 4.8 million tonnes of ore delivered to the heap leach pads at a gold grade of0.42 g/t in the third quarter of 2016. Gold grade mined in the fourth quarter was 14% higher than the third quarter. The strip ratio declined to 2.0:1 in the quarter, a 36% reduction compared to the previous quarter.

In 2016, the Marigold mine produced205,116 ounces of gold, compared to 207,006 ounces of gold produced in 2015, achieving the mid-point of our improved 2016 production guidance.

Total material mined and ore stacked on leach pads of 75.1 million tonnes and 23.6 million tonnes, respectively, in 2016, were record amounts for the Marigold mine, due to the increased hauling capacity added to the fleet earlier in the year. The grade of the ore delivered to the leach pads in 2016 was 0.45 g/t and the average strip ratio was 2.2:1.

Mine sales

A total of 61,308 ounces of gold were sold at an average price of $1,247 per ounce during the fourth quarter of 2016, an increase of 30% from the 47,278 ounces of gold sold at an average price of $1,330 per ounce during the third quarter of 2016. The increase in sales was a function of increased gold production. Gold sales totaled 204,315 ounces in 2016.

Mine operating costs

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

Cash costs, which include all costs of inventory, refining costs and royalties, of $585 per payable ounce of gold sold in the fourth quarter of 2016 were lower than cash costs of $636 per payable ounce of gold sold in the third quarter of 2016 due to higher number of ounces stacked lowering the unit costs of inventory. Cash costs decreased in 2016 to $647 per payable ounce of gold sold, compared to $692 per payable ounce of gold sold in 2015, due to the higher number of ounces stacked, improved mining costs and an increase in the proportion of operating costs capitalized to stripping. Costs per tonne mined decreased in 2016 to $1.50 per tonne compared to $1.56 per tonne in 2015 as a result of our increased capacity and improved efficiencies in our loading and hauling practices as well as a lower diesel unit cost. Processing and general and administration unit costs also declined by 4% and 10%, respectively, in 2016 compared to the comparative period, principally due to higher ore tonnes stacked. Operational Excellence remains a core activity at Marigold, particularly focused on maintenance processes and practices.

AISC decreased in the fourth quarter of 2016 to $835 per payable ounce of gold sold from $1,139 in the third quarter of 2016 due to lower capitalized stripping and lower investments in capital. AISC of $960 per payable ounce of gold sold in 2016 increased from $895 in 2015, primarily due to higher capital investments, including the construction of a new leach pad, and higher capitalized stripping.

Exploration

During the fourth quarter Marigold drilled 14,289 meters in 54 reverse circulation (“RC”) drillholes using two RC drills. One core drillhole was completed as part of the deep sulphide exploration program. In 2016, we drilled 55,147 meters in 231 RC drillholes, 955 meters in one core drillhole and assayed 55,073 samples as a part of our program to re-assay historic drill samples (the “Assay Program”). Drill activities for 2016 focused on Mineral Resources to Mineral Reserves conversion around the 8 South pit, Terry Zone North, HideOut, Mud and Valmy pits and Mineral Resources discovery at the Crossfire, East Basalt and Battle Cry targets. The results of this successful exploration program are discussed in section 5. Drilling in the fourth quarter of 2016 centered on Mineral Resources expansion.

During 2016, we completed the Assay Program, which had the objective of identifying low grade ore that was not included in the existing Mineral Reserves. The samples from the Assay Program are from the planned life of mine production areas. The 2016 Assay Program added 130,000 gold ounces to Indicated Mineral Resources, which are included in our 2016 Mineral Reserves and Mineral Resources statement.

Mineral Resources expansion drilling has exceeded expectations in the East Basalt pit area, where 14 drillholes were completed during the fourth quarter of 2016, with the majority intersecting mineralization at or above Mineral Resources average grade. In addition, drilling adjacent to the dormant Valmy pit continues to demonstrate the presence of higher grade structural trends beyond the south east corner of the pit.

Seabee Gold Operation, Canada

Operating data	Three months ended December 31, 2016	Three months ended September 30, 2016	Period from Acquisition to June 30, 2016 [1]	Period from Acquisition to December 31, 2016 [2]
Total ore milled (t)	**84,526**	82,756	18,856	**186,138**
Ore milled per day (t/day)	**919**	900	629	**870**
Gold mill feed grade (g/t)	**7.40**	7.40	7.79	**7.44**
Mining costs ($/t mined)	**62**	58	110	**65**
Processing costs ($/t processed)	**19**	19	29	**20**
Gold recovery (%)	**97.0**	96.5	96.6	**96.7**
General and admin costs ($/t processed)	**44**	37	61	**43**
Gold produced (oz)	**19,711**	20,142	6,721	**46,574**
Gold sold (oz)	**17,229**	21,911	11,306	**50,446**
Realized gold price ($/oz) [3]	**1,230**	1,334	1,278	**1,271**
Cash costs ($/oz) [3,5]	**595**	661	663	**639**
AISC ($/oz) [3,5]	**833**	840	776	**823**
Financial data ($000s)				
Revenue	**21,175**	29,214	14,437	**64,826**
Income from mine operations	**2,864**	4,126	1,216	**8,206**
Capital investments	**1,010**	579	337	**1,926**
Capitalized development	**2,432**	2,104	803	**5,339**
Exploration expenditures [4]	**829**	1,206	117	**2,152**

(1) The data presented in this column is for the period from May 31, 2016, to June 30, 2016, the period for which we were entitled to all economic benefits of the Seabee Gold Operation following our acquisition of Claude Resources.
(2) The data presented in this column is for the period from May 31, 2016, to December 31, 2016, the period for which we were entitled to all economic benefits of the Seabee Gold Operation following our acquisition of Claude Resources.
(3) We report the non-GAAP financial measures of realized gold prices, cash costs and AISC per payable ounce of gold sold to manage and evaluate operating performance at the Seabee Gold Operation. For a better understanding and a reconciliation of these measures to cost of sales, as shown in our consolidated statements of comprehensive income (loss), please refer to “Non-GAAP and Additional GAAP Financial Measures” in section 13.
(4) Includes capitalized and expensed exploration expenses.
(5) The non-GAAP financial measure of cash costs per payable ounce of gold sold from the Seabee Gold Operation was adjusted to eliminate the adjustment of inventory to fair value as at the date of our acquisition of Claude Resources.

Mine production

The Seabee Gold Operation consists of the Seabee and Santoy underground mines, both of which feed a single processing facility. In the fourth quarter, the Seabee Gold Operation produced 19,711 ounces of gold, largely in line with the 20,142 ounces of gold produced during the third quarter of 2016. Production during the second half of the year of 39,853 ounces of gold exceeded our second half 2016 production guidance range of 32,000 to 35,000 ounces of gold.

A record 84,526 tonnes of ore were milled at an average gold grade of 7.40 g/t and recovery of 97.0% during the fourth quarter. This compares to a total of 82,756 tonnes of ore milled at an average gold grade of 7.40 g/t and recovery of 96.5% in the third quarter.

During the fourth quarter, the mill was maintained at a higher throughput of 919 tonnes per day, a record quarterly performance. The Santoy complex mined approximately 92% of total ore milled, with the remainder mined from Seabee. Mining continued to transition to long hole stope ore from Santoy and we are reviewing the mine plan to determine the feasibility of higher, sustainable production rates.

During the period since acquisition, from May 31, 2016 to December 31, 2016, the Seabee Gold Operation produced a total of 46,574 ounces of gold.

Mine sales

A total of 17,229 ounces of gold were sold at an average price of $1,230 per ounce during the fourth quarter of 2016. This compares to 21,911 ounces of gold sold in the third quarter of 2016 at an average realized price of $1,334 per ounce.

In the period from acquisition to December 31, 2016, we sold 50,446 ounces of gold at an average price of $1,271 per payable gold ounce sold.

Mine operating costs

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

Cost of sales and income from mine operations includes the effects of non-cash amortization charges related to purchase price accounting upon our acquisition of Claude Resources in 2016.

Cash costs per payable ounce of gold sold, which include all costs of inventory, refining costs and royalties, were $595 in the fourth quarter of 2016, lower than the $661 in the third quarter of 2016 due to timing of inventory costing and higher capital development. Cash costs for the period from acquisition to December 31, 2016, were $639 per payable ounce of gold sold.

AISC per payable ounce of gold sold were $833 in the fourth quarter of 2016, comparable to $840 in the third quarter of 2016, while capital spending remained modest, and higher exploration spending consistent with our objective of adding Mineral Reserves and Mineral Resources at the mine, offset the lower cash costs. AISC for the period from acquisition to December 31, 2016, were $823 per payable ounce of gold sold.

Exploration

For 2016, the Seabee Gold Operation planned 65,000 meters of underground drilling and 18,000 meters of surface drilling with the objective to increase and convert Mineral Resources to Mineral Reserves. During the fourth quarter of 2016, we completed 21,705 meters of underground diamond drilling to upgrade Inferred Mineral Resources and explore further the extensions to the Santoy 8A and Santoy Gap deposits. From surface, we completed 7,702 meters of drilling to upgrade the up plunge extension of the Santoy Gap 9A, 9B and 9C Mineral Resources and to complete deeper infill drilling on the Santoy 8A Inferred Mineral Resources. The results of this successful exploration program are discussed in section 5.

On October 6, 2016, we announced an option agreement to acquire up to an 80% interest in the adjacent Fisher property which lies south on strike from the ore deposits at Santoy Gap and Santoy 8A. This agreement doubles our prospective land position at the Seabee Gold Operation and planning for our 2017 exploration work is underway with surface exploration drilling expected in the second half of the year.

Pirquitas Mine, Argentina

	Three months ended				Total	
Operating data	**December 31, 2016**	September 30, 2016	June 30, 2016	March 31, 2016	**2016**	2015
Total material mined (kt)	**1,694**	2,385	2,543	2,520	**9,142**	11,900
Waste removed (kt)	**1,193**	1,584	1,814	1,726	**6,317**	9,090
Ore mined (kt)	**501**	801	729	794	**2,825**	2,810
Strip ratio	**2.4**	2.0	2.5	2.2	**2.2**	3.2
Silver mined grade (g/t)	**168**	190	189	181	**183**	183
Mining costs ($/t mined)	**4.84**	3.80	3.54	2.97	**3.69**	3.47
Ore milled (kt)	**476**	455	425	418	**1,774**	1,557
Silver mill feed grade (g/t)	**194**	264	238	247	**235**	250
Processing cost ($/t milled)	**14.17**	14.78	15.10	13.58	**14.41**	21.52
Silver recovery (%)	**74.5**	79.0	77.6	79.7	**77.8**	82.6
General and admin costs ($/t milled)	**6.19**	5.84	6.22	5.68	**5.99**	8.74
Silver produced ('000 oz)	**2,210**	3,047	2,526	2,639	**10,422**	10,339
Silver sold ('000 oz)	**2,633**	2,947	2,594	3,223	**11,397**	10,294
Realized silver price ($/oz) [1]	**17.14**	19.64	16.52	14.94	**17.05**	15.92
Cash costs ($/oz) [1]	**9.80**	8.48	8.87	8.93	**9.00**	10.68
AISC ($/oz) [1]	**11.47**	9.87	10.00	9.67	**10.21**	12.44
Financial Data ($000s)						
Revenue	**29,095**	51,336	45,141	43,771	**169,343**	138,026
(Loss) income from mine operations [2]	**(4,056)**	31,908	25,205	12,071	**65,128**	(38,699)
Capital investments	**3,467**	3,158	2,057	1,578	**10,260**	9,319
Exploration expenditures	**11**	7	25	22	**65**	4,553

(1) We report the non-GAAP financial measures of cash costs per payable ounce of silver sold, realized silver prices and AISC 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 and Additional GAAP Financial Measures” in section 13.

(2) (Loss) income from mine operations for the quarter and year ended December 31, 2016, both include $5.7 million of severance provision and a non-cash write-down of supplies inventory and VAT receivable of $3.7 million. Loss from mine operations for the annual period ended December 31, 2015, includes $32.3 million of non-cash adjustments to stockpile and supplies inventory at the Pirquitas mine to its NRV, and severance provision.

Mine production

In the fourth quarter of 2016, Pirquitas production declined relative to the third quarter, as expected, producing 2.2 million ounces of silver.

Ore was milled at an average rate of 5,175 tonnes per day in the fourth quarter, 5% higher than the previous quarter and a record quarterly result. Additionally, the average milling rate was 29% above the mill's nominal design of 4,000 tonnes per day, which is the result of a successful 14-month Operational Excellence project. Ore milled in the fourth quarter of 2016 contained an average silver grade of 194 g/t, 27% lower than the 264 g/t reported in the third quarter as the availability of ore in the lower benches of the San Miguel open pit was reduced, resulting in medium grade stockpile ore supplementing mill feed.

The average silver recovery in the fourth quarter was 74.5%, lower than the 79.0% recovery in the previous quarter, in line with reduced silver mill feed grade that resulted from the increasing proportion of stockpiled material in the mill feed.

In 2016, the Pirquitas mine produced a record10.4 million ounces of silver, close to the upper end of our increased annual production guidance range. This was largely the result of achieving a 14% increase in daily milling rate during the year. Silver mined grade of 183 g/t was in line with that realized in 2015, while silver mill feed grade was 6% lower than the previous year, in line with expectations as medium grade stockpiled ore supplemented the mill feed. Silver recovery of 77.8% was lower compared to 2015, due to a combination of closing down the zinc circuit in January 2016 and lower silver grade throughout the year. Silver sales totaled 11.4 million ounces in 2016.

Detailed planning and consultation with the workforce, union, communities and government for the cessation of open pit mining was undertaken and mining ceased in January 2017. It is expected that medium grade stockpile material will be processed through the plant in 2017. Low grade stockpiles may be processed in late 2017, and potentially in early 2018, depending on prevailing economic conditions.

Mine sales

Silver sales totaled 2.6 million ounces in the fourth quarter of 2016, an 11% decrease from the third quarter of 2016, due to availability of inventory following lower production in the fourth quarter of 2016. Additionally, we recorded a negative period-end price adjustment for unsettled ounces of $9.2 million, or $3.49 per ounce, compared to a positive adjustment of $0.7 million in the third quarter of 2016.

We sold 11.4 million ounces of silver in 2016, an 11% increase compared to the 10.3 million ounces sold in 2015. Sales of our silver concentrate were also impacted by period-end price adjustments for unsettled ounces which had a negative impact of $1.6 million cumulatively in 2016, compared to the negative impact of $10.6 million in 2015.

Mine operating costs

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

Cost of sales and income from mine operations in the fourth quarter of 2016 were impacted by non-cash provisions related to the pending cessation of mine operations. We recorded a severance provision of $5.7 million and a non-cash write-down of supplies inventory and VAT of $3.7 million.

Cash costs, which include cost of inventory, treatment and refining costs, and by-product credits, were$9.80 per payable ounce of silver sold in the fourth quarter of 2016, higher than the $8.48 per payable ounce of silver sold in the third quarter of 2016 due to medium grade stockpile ore grade supplementing mined ore and reduced mining efficiency on the lowest benches of the open pit.

Cash costs per payable ounce of silver sold in 2016 decreased to$9.00 from $10.68 in 2015 as our stronger production more than offset the cessation of the zinc recovery circuit which saved cost but lowered overall silver recovery.

AISC per payable ounce of silver sold in the fourth quarter of 2016 were higher at$11.47 than in the third quarter at $9.87 due to higher cash costs and capital investment in the planned phase 5 tailings lift. AISC of $10.21 per payable ounce of silver sold were lower in 2016 than the $12.44 per payable ounce of silver sold in 2015 due to lower cash costs while capital investments remained modest.

Exploration

There was no exploration activity at the Pirquitas mine during 2016 as we focused on advancing the Chinchillas project.

Chinchillas Project, Argentina

During the fourth quarter, hydrology and geotechnical drilling was completed for final feasibility studies. In addition to this work, metallurgical and environmental baseline studies, along with community engagement programs, continued.

In the fourth quarter of 2016, we funded approximately $1.6 million for work on the Chinchillas project, bringing total expenditures to date to $12.1 million.

During the second quarter of 2016, Golden Arrow Resources Corporation ("Golden Arrow") released a revised Mineral Resources estimate and technical report for the Chinchillas project following an infill drilling program of 115 core drillholes comprising 15,142 meters of drilling. As part of the continuing engineering studies, a program of condemnation drilling commenced beneath areas selected for major infrastructure, such as the waste rock facility.

We are undertaking the relevant engineering studies to determine the economic viability of the Chinchillas project as a satellite mine feeding the Pirquitas plant and extending the life of the operation. Our option agreement with Golden Arrow requires the notice of exercise of the option to be given by March 30, 2017. A decision with regards to such notice is subject to the remaining technical evaluation, which is scheduled for completion in the first quarter of 2017, as well as our assessment of market conditions and country risks, including the status of our export duty litigation.

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) ("Customs") levied an export duty of approximately 10% from concentrate for projects with fiscal stability agreements pre-dating 2002 and Customs 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 Customs 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 Tax Authority 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 Tax Authority 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 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.

On June 21, 2016 the Federal Court (Jujuy) ruled that the Injunction would remain in place subject to certain conditions, including the provision by August 5, 2016, of a guarantee by Silver Standard against liabilities arising from export duties and applicable interest as well as security from Mina Pirquitas, LLC on certain assets at the Pirquitas mine. We appealed the condition to provide the parent guarantee. On November 17, 2016, the Appeal Court in Salta ruled in favour of the Federal Tax Authority and lifted the Injunction. Our subsequent request for appeal of this ruling to the Supreme Court was approved by the Appeal Court in Salta on December 27, 2016, and the suspension of payment under the Injunction remains in effect. We are also continuing discussions with the Federal Tax Authority and other government officials for potential resolution of the claim. We cannot predict the outcome of the court proceedings and those discussions. If we do not reach a successful resolution of the matter, the Federal Tax Authority may make further application to the court to have the Injunction lifted and initiate proceedings to collect the accrued export duties and its claimed interest. The lifting of the Injunction does not impact our underlying challenge of the legality of the application of export duties or remedies available under the Fiscal Agreement.

As of December 31, 2016, we have paid $6.6 million in export duties, for which we have filed for recovery. In accordance with the Injunction, we did not pay export duties on silver concentrate but continued to accrue export duties until February 12, 2016, when the Federal Government of Argentina announced the removal of export duties on mineral concentrates. At December 31, 2016, we have accrued a liability totaling $67.1 million (December 31, 2015 - $65.6 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 Federal Tax Authority has claimed that interest penalties at the prescribed rate applicable to general Argentine peso-based tax liabilities of 3% per month should be applied to the U.S. dollar export duty from the dates that each duty was accrued. The application of this rate results in a material interest claim of an amount

approximately equivalent to the underlying duties that we have not accrued due to its uncertainty. In addition to our challenges on the underlying application of the export duties, we are also challenging the Federal Tax Authority's claim for interest and the rate upon which it claims interest.

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 statements of income (loss).

5. REVIEW OF PROJECTS AND MINERAL RESERVES AND MINERAL RESOURCES

Review of projects

Chinchillas Project, Argentina

The progress on the Chinchillas project is described in section 4.

Perdito Project, California, U.S.

On March 31, 2016, we announced that we entered into an option agreement to acquire a 100% interest in the Perdito project. The project is located 240 kilometers west of Las Vegas, Nevada in Inyo County, California and covers an area of approximately 5,780 hectares.

During the fourth quarter, we completed field work, and finalized our application for permits required prior to drilling. We have budgeted $1.0 million for drilling at the project in 2017.

Other Projects

At our Pitarrilla project in Mexico, we continue to keep the properties in good standing and fulfill our community and other project-related commitments.

At our San Luis project in Peru, we continue to progress strategies for community engagement and for advancing the project.

Mineral Reserves and Mineral Resources

At December 31, 2016, total Proven and Probable gold Mineral Reserves were 3.49 million ounces and total Proven and Probable silver Mineral Reserves were 16.8 million ounces. Mineral Reserves estimates for the Marigold mine, the Seabee Gold Operation and the Pirquitas mine have been determined based on prices of $1,250 per ounce of gold and $18.00 per ounce of silver. These prices are an increase from prices of $1,100 per ounce of gold and $16.00 per ounce of silver used to determine our Mineral Reserves estimate for the Marigold mine and the Pirquitas mine as at December 31, 2015, reflecting market conditions and consensus long-term metal prices.

At December 31, 2016, our total Measured and Indicated Mineral Resources (inclusive of Mineral Reserves) were 6.9 million ounces of gold and 608.4 million ounces of silver and our Inferred Mineral Resources were 1.93 million ounces of gold and 40.4 million ounces of silver. Mineral Resources estimates have been determined based on prices of $1,400 per ounce of gold and $22.50 per ounce of silver. These prices remain unchanged from prices used to determine Mineral Resources estimates as at December 31, 2015.

At Marigold, positive exploration results and discoveries led to increases in each of Mineral Reserves, Mineral Resources and Inferred Mineral Resources. Probable Mineral Reserves increased by 31% to 2.84 million ounces of gold, after accounting for mining depletion and changes to gold price and cost assumptions, while gold grade remained unchanged at 0.45 g/t. The increase in Probable Mineral Reserves is attributable to our successful infill drill program which converted Mineral Resources at Terry Zone North (310,000 gold ounces), HideOut (130,000 gold ounces) and 8 South pit extension zone (210,000 gold ounces), collectively referred to as Mackay North; at Valmy, where 200,000 gold ounces were added; and through our Assay Program which added 110,000 gold ounces. The higher price of gold utilized had a marginal impact on Probable Mineral Reserves. Indicated Mineral Resources increased by 12% to 5.15 million ounces of gold. The increase in Indicated Mineral Resources (inclusive of Mineral Reserves) is attributed to additions of approximately 450,000 gold ounces at the Mackay North areas, 260,000 gold ounces from the East Basalt/Battle Cry/Antler areas on the Valmy property, 110,000 gold ounces from drilling at the Valmy pit and 130,000 gold ounces from the Assay Program. Overall, Inferred Mineral Resources increased by 27% to 700,000 ounces of gold mainly due to additions at Mackay North and East Basalt.

At the Seabee Gold Operation, Proven and Probable Mineral Reserves total 360,000 ounces of gold, a 50% increase compared to year-end 2015 as a result of conversion and development drilling. Average grade has increased to 8.2 g/t gold due to the addition of higher grade Mineral Reserves from Santoy 8. Proven and Probable Mineral Reserve increases are due to additions of 77,000 gold ounces at Santoy 8 and 107,000 gold ounces at Santoy Gap. Measured and Indicated Mineral Resources (inclusive of Mineral Reserves) total 570,000 gold ounces at year-end 2016, reflecting the conversion from 89,000 gold ounces at Santoy 8 and 149,000 gold ounces at Santoy Gap from Inferred Mineral Resources. As at December 31, 2016, Inferred Mineral Resources total 640,000 gold ounces, reflecting a 37% decline due to conversion to Mineral Reserves in the second half of 2016.

At Pirquitas, Probable Mineral Reserves declined to 9.6 million ounces of silver due to mine depletion and are contained principally in surface stockpiles. Measured and Indicated Mineral Resources (inclusive of Mineral Reserves) total 67.4 million ounces of silver within the open pit, underground and stockpile inventory. Inferred Mineral Resources total 8.4 million ounces of silver at December 31, 2016.

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		
	2016 [1]	2015	2014 [2]
Revenue	**490,986**	375,322	300,122
Cost of sales	**(336,980)**	(356,482)	(263,922)
Income from mine operations	**154,006**	18,840	36,200
Impairment charges	**—**	(48,421)	(40,250)
Operating income (loss)	**112,605**	(71,063)	(52,497)
Gain on sale of mineral properties	**6,522**	—	15,913
Net income (loss) attributable to shareholders	**64,957**	(124,302)	(126,393)
Basic earnings (loss) per share	**0.63**	(1.54)	(1.57)
Diluted earnings (loss) per share	**0.62**	(1.54)	(1.57)
Cash dividends per share	**—**	—	—

	As at December 31		
	2016	2015	2014
Cash and cash equivalents	**327,127**	211,862	184,643
Total assets	**1,438,688**	871,677	986,249
Non-current financial liabilities	**220,054**	208,085	197,134

[1] Data presented in this table with respect to the Seabee Gold Operation is for the period May 31, 2016, to December 31, 2016, the period for which we were entitled to all economic benefits of the Seabee Mine Operation, following our acquisition of Claude Resources.
[2] Data presented in this table with respect to the Marigold mine 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 pursuant to our acquisition.

Review of Annual Financial Results

Net income for the year ended December 31, 2016 was $65.0 million ($0.63 per share) compared to a net loss of $124.3 million ($1.54 per share) for the year ended December 31, 2015, due to higher sales and an improved operating cost structure. Net income in 2016 was negatively impacted by $5.7 million of severance provision related to the Pirquitas mine and $3.7 million of non-cash write-down of supplies inventory and VAT receivable. The loss in 2015 was materially impacted by the non-cash asset impairment charges and non-cash write-downs following significant declines in silver prices. In 2015, we recognized a non-cash impairment charge of $48.4 million against the Pirquitas mine and made non-cash adjustments to inventories totaling $27.6 million.

Revenue

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

In 2016, we recognized revenues of $491.0 million compared to $375.3 million in 2015, with the main reasons for the increase being higher realized metal prices and sales from the newly acquired Seabee Gold Operation.

- At Marigold, we sold 203,979 payable ounces of gold at an average realized price of $1,255 per ounce, generating total revenue of $256.8 million in 2016 compared to sales of 206,115 payable ounces of gold at an average realized price of $1,151 per ounce, generating total revenue of $237.3 million in 2015.

- At the Seabee Gold Operation, we recognized revenues of $64.8 million in the period from acquisition to December 31, 2016, from the sale of 50,420 payable ounces of gold, at an average realized gold price of $1,271 per ounce. We did not own the Seabee Gold Operation in the comparative period.

- At Pirquitas we recognized revenues of $169.3 million in 2016, an increase of $31.3 million from the $138.0 million recognized in 2015. The increase in revenue was due to higher realized prices and increased sales volume (10.9 million payable ounces were sold in 2016 compared to 9.6 million payable ounces in 2015). We realized an average silver price of $17.05 per ounce in 2016, excluding the impact of period-end price adjustments, compared to $15.92 per ounce in 2015. In line with our mine plan, there were low zinc sales in 2016, compared to 11.5 million pounds sold in 2015. Sales of our silver concentrate were also impacted by period-end price adjustments for unsettled ounces which had a negative impact of $1.6 million cumulatively in 2016, compared to the negative impact of $10.6 million in 2015. At December 31, 2016, sales contracts containing 3.0 million ounces of silver were subject to final price settlement over the next four months.

Cost of sales

Cost of sales for the year ended December 31, 2016, was $337.0 million, compared to $356.5 million in 2015, mainly due to lower operating costs, the removal of export duties at the Pirquitas mine early in the year and lower depreciation as a result of prior impairments. In 2016 and 2015, we recorded non-cash inventory write downs of $1.2 million and $27.6 million, respectively. These impacts were partially offset by the inclusion of the Seabee Gold Operation.

- At Marigold cost of sales for 2016 was $176.1 million, generating income from mine operations of $80.7 million compared to cost of sales in 2015, of $179.8 million, generating income from mine operations of $57.5 million. The gross margin of 31% in 2016 was higher than the 24% gross margin generated in 2015 due to higher metal prices and decreased unit costs.

- At the Seabee Gold Operation, cost of sales in the period from acquisition to December 31, 2016, was $56.6 million, generating income from operations of $8.2 million, equal to a gross margin of 12%. The margin was impacted by a significant one-time increase of bullion and other inventories to fair value upon our acquisition of the Seabee Gold Operation. In addition, margins are constrained by high depreciation charges as a result of the high value of the mineral property recorded at acquisition.

- At Pirquitas, cost of sales for 2016 was $104.2 million, compared to $176.7 million in 2015, with a resulting income from mine operations of $65.1 million, compared to a loss from mine operations of $38.7 million in 2015. The current period was negatively impacted by $3.7 million of non-cash write downs of inventory and VAT receivable and the comparative period was negatively impacted by non-cash adjustments to inventories amounting to $27.6 million. In 2016 and 2015, we also recorded a severance provision of $5.7 million and $4.7 million, respectively, as a result of anticipated mining closure. Gross margin was 38% in 2016, compared to a negative margin of 28% in 2015, with such increase mainly due to lower operating costs, removal of export duties in early 2016, higher realized silver price per ounce sold, low zinc sales, significantly less depreciation following the impairment recorded in the second half of 2015 and lower non-cash adjustments to inventories which were recorded in 2015.

Other operating costs

General and administrative expenses for the year ended December 31, 2016 of $22.1 million were comparable to the $22.3 million recorded in 2015. Lower consulting fees were offset by higher share-based payments while other costs remained at comparable levels. Share-based payments were $7.9 million in 2016 higher than the $6.6 million in 2015, due to higher closing share price.

Expensed exploration and evaluation expenses were $14.6 million in 2016 compared to $19.1 million in 2015. Expenditures in 2016 related to funding of the drilling and evaluation work at the Chinchillas project of $8.5 million

and the addition of the Seabee Gold Operation. In 2015, exploration and evaluation work was primarily performed at the Marigold and Pirquitas mines, as well as $3.5 million at the Chinchillas project.

We incurred business acquisition costs of $4.8 million in the year ended December 31, 2016, relating to the acquisition of the Seabee Gold Operation. No costs of this nature were incurred in 2015.

Non-operating items

We generated a gain on sale of exploration and evaluation assets of $6.5 million in 2016 from the sale of the Parral properties in Mexico and the Diablillos project in Argentina. There were no sales of exploration and evaluation assets in the comparative period.

We recorded $26.0 million of interest expense and other financing costs in 2016 and 2015. In each period, the interest expense is mainly attributable to our 2.875% convertible senior notes issued in 2013 (the “Notes”).

We recorded foreign exchange losses for year ended December 31, 2016 of $8.1 million compared to losses of $11.4 million in 2015. Our main foreign exchange exposures are related to Argentine pesos and Canadian dollars. During 2016, this loss resulted from the Argentine peso weakening against the U.S. dollar, following the removal of currency controls by the new Federal Government of Argentina in December 2015. These losses were partially offset by the Canadian dollar strengthening against the U.S. dollar during 2016. In the comparative period of 2015, the Argentine peso devalued at a higher rate.

Taxation

For the year ended December 31, 2016, we recorded an income tax expense of $16.0 million compared to an income tax expense of $10.6 million in 2015. In 2016 the income tax expense was primarily the result of profitable operations at the Marigold mine and the Seabee Gold Operation, concentrate and gold sales activities in Canada, and payment of interest withholding tax in Argentina. In the fourth quarter of 2016 we incurred $4.9 million of withholding tax on repatriation of funds from Argentina due to the strong operating performance of Pirquitas during 2016. Offsets to income tax expense items include general and administrative expenses in Canada, exploration and development expenses and the reversal of the deferred tax liabilities resulting from the initial acquisition of the Seabee Gold Operation.

In 2015 the income tax expense was primarily the result of profitable operations at Marigold, concentrate and gold sales activities in Canada, disposition of shares of Pretium Resources Inc. ("Pretium"), derecognition of a deferred tax asset relating to a portion of the reclamation provision at Marigold and payment of interest withholding tax in Argentina. Offsets to the income tax expense items include the devaluation of Canadian dollar cash accounts.

Other comprehensive income

At December 31, 2016, we held marketable securities with a value of $148.9 million compared to $88.2 million at December 31, 2015. During 2016, we recognized an unrealized gain of $51.2 million on marketable securities compared to a loss of $10.4 million in 2015, due to fair value movements in securities designated as at fair value through other comprehensive income.

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:

	2016				2015			
	31-Dec	30-Sep	30-Jun	31-Mar	31-Dec	30-Sep	30-Jun	31-Mar
	$000s	$000s	$000s	$000s	$000s	$000s	$000s	$000s
Revenue	**127,317**	143,381	118,775	101,513	90,592	77,191	95,818	111,721
Realized gold price ($/oz) [1]	**1,243**	1,331	1,263	1,189	1,084	1,110	1,205	1,210
Realized silver price ($/oz) [1]	**17.14**	19.64	16.52	14.94	15.00	14.97	16.72	16.67
Income (loss) from mine operations [2]	**27,456**	59,190	44,062	23,298	(20,485)	(7,396)	16,319	30,402
Net income (loss) before tax	**18,606**	40,999	15,522	5,858	(60,353)	(62,556)	(3,316)	12,501
Net income (loss) after tax	**12,132**	38,042	12,483	2,300	(66,722)	(59,416)	(7,327)	9,096
Basic earnings (loss) per share	**0.10**	0.32	0.13	0.03	(0.83)	(0.74)	(0.09)	0.11
Diluted earnings (loss) per share	**0.10**	0.31	0.13	0.03	(0.83)	(0.74)	(0.09)	0.11
Cash and cash equivalents	**327,127**	**277,544**	232,619	217,634	211,862	200,017	217,228	175,595
Total assets	**1,438,688**	**1,454,618**	1,432,263	880,501	871,677	954,766	996,549	989,260
Working capital	**559,934**	**556,263**	530,196	354,999	340,883	373,068	379,767	358,288
Non-current financial liabilities	**220,054**	**216,977**	213,955	210,994	208,085	205,277	202,517	199,813

[1] We report the non-GAAP financial measure of realized metal prices per payable ounce of precious metals sold to manage and evaluate operating performance at our mines. For a better understanding and a reconciliation of this measure, please refer to "Non-GAAP and Additional GAAP Financial Measures" in section 13.

[2] Income from mine operations for the quarter ended December 31, 2016, includes $5.7 million of severance provision and non-cash adjustments to supplies inventory and VAT of $3.7 million related to the Pirquitas mine. Loss from mine operations for the quarters ended December 31, 2015 and September 30, 2015, include $23.6 million and $7.7 million, respectively, of non-cash adjustments to stockpile and supplies inventory at the Pirquitas mine to its NRV and severance provision.

The volatility in revenue over the past eight quarters has resulted from variable precious metal prices, which are not under our control, and sales volumes. There are no significant seasonal fluctuations in the results for the presented periods. Metal prices in the second, third and fourth quarters of 2016 improved significantly after a period of weaker metal prices in the second half of 2015 and the first quarter of 2016. Income (loss) from mine operations in the third and fourth quarters of 2015 and the fourth quarter of 2016 were affected by non-cash write-downs of inventory at the Pirquitas mine to its NRV. In 2016, higher income from mine operations is a result of improved metal prices and increasing volumes of gold and silver sold, the acquisition of the Seabee Gold Operation on May 31, 2016 and operating improvements at Pirquitas, as well as lower cost of sales per ounce at our Marigold and Pirquitas mines. The income from mine operations in the fourth quarter of 2016 and in the fourth quarter of 2015 were also impacted by $5.7 million and $4.7 million, respectively, of severance provision related to the Pirquitas mine. Excluding the effect of these inventory write-downs, income from mine operations followed a similar trend to revenue over the two-year period presented.

Net income (loss) before income tax has fluctuated significantly over the past eight quarters, heavily influenced by impairments and adjustments. In the fourth and third quarters of 2015, we recorded non-cash impairment charges and inventory adjustments totaling $38.7 million and $42.2 million, respectively, against the carrying value of the Pirquitas mine.

Three months ended December 31, 2016 compared to the three months ended December 31, 2015

	Three months ended December 31	
	2016	2015
Revenue	**127,317**	90,592
Cost of sales	**(99,861)**	(111,077)
Income (loss) from mining operations [(1)]	**27,456**	(20,485)
General and administrative expenses	**(1,407)**	(4,274)
Exploration, evaluation and reclamation expenses	**(2,315)**	(8,129)
Business acquisition costs	**(228)**	—
Impairment charges	**—**	(13,931)
Operating income (loss)	**23,506**	(46,819)
Gain on sale of mineral properties	**6,522**	—
Interest earned and other finance income	**519**	211
Interest expense and other finance expenses	**(6,397)**	(6,905)
Other (expense)	**(3,949)**	(2,009)
Foreign exchange (loss)	**(1,595)**	(4,831)
Income (loss) before tax	**18,606**	(60,353)
Income tax (expense)	**(6,474)**	(6,369)
Net income (loss) and net income (loss) attributable to shareholders	**12,132**	(66,722)

[(1)] Income from mine operations for the quarter ended December 31, 2016, includes $5.7 million of severance provision and $3.7 million of non-cash write-down of inventory and VAT receivable related to the Pirquitas mine. (Loss) from mine operations for the quarter ended December 31, 2015, includes $23.6 million of non-cash adjustments to stockpile and supplies inventory at the Pirquitas mine to its NRV and severance provision.

Net income for the three months ended December 31, 2016 was $12.1 million ($0.10 per share), compared to a net loss of $66.7 million (($0.83) per share) in the same period of 2015 due to the improved margins at each of our operations. In the fourth quarter of 2015, we recognized a non-cash impairment charge of $13.9 million against the Pirquitas mine and a non-cash inventory write-down of $19.9 million. 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.

Revenue

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

In the three months ended December 31, 2016, we recognized total revenues of $127.3 million, compared to $90.6 million recognized in the comparative period of 2015, with the increase due to the impact of the Seabee Gold Operation, which we acquired on May 31, 2016, and higher gold and silver prices.

- At the Marigold mine, we recognized revenues of $77.0 million in the fourth quarter of 2016 from the sale of 61,279 payable ounces of gold, realizing an average price of $1,247 per ounce. In the fourth quarter of 2015, revenues were $67.9 million from the sale of 62,685 payable ounces of gold at an average realized price of $1,084 per ounce.

- At the Seabee Gold Operation, we recognized revenues of $21.2 million in the fourth quarter of 2016 from the sale of 17,220 payable ounces of gold, at an average realized gold price of $1,230 per ounce. We did not own the Seabee Gold Operation in the comparative period.

- At the Pirquitas mine, we recognized revenues of $29.1 million in the fourth quarter of 2016, compared to $22.7 million recognized in the same period in 2015. The increase in revenue was the function of higher realized silver prices and higher volumes of silver sales in the fourth quarter of 2016 (2.5 million payable ounces of silver compared to 1.8 million payable ounces of silver), which was partially offset by a negative valuation adjustment on outstanding sales contracts of $9.2 million in the fourth quarter of 2016, compared to a negative valuation adjustment of $3.3 million in the comparative quarter. Realized silver prices in the fourth quarter of 2016 averaged $17.14 per ounce, excluding the impact of period-end valuation adjustments, compared to $15.00 per ounce in the same period in 2015. At December 31, 2016, sales contracts containing 3.0 million ounces of silver were subject to final price settlement over the next four months.

Cost of sales

Cost of sales for the fourth quarter of 2016 was $99.9 million, compared to $111.1 million in the fourth quarter of 2015. Cost of sales in both periods were impacted by write-downs of inventory at the Pirquitas mine to its NRV. In the fourth quarters of 2016 and 2015, cost of sales includes $5.7 million and $4.7 million, respectively, of severance provision related to the Pirquitas mine. On a per ounce of silver and gold sold basis, cost of sales were lower in the fourth quarter of 2016 than in the comparative quarter.

- At the Marigold mine, cost of sales in the fourth quarter of 2016 was $48.4 million generating income from mine operations of $28.6 million for a gross margin of 37%. This compares to cost of sales of $60.0 million in the fourth quarter of 2015, generating income from mine operations of $7.9 million and a gross margin of 12%. The increase in the gross margin is due to higher realized prices and lower unit costs per ounce of gold sold in the fourth quarter of 2016 than in the comparative period.

- At the Seabee Gold Operation, cost of sales in the fourth quarter was $18.3 million, generating income from operations of $2.9 million, equal to a gross margin of 14%. The Seabee Gold Operation gross margin is impacted by non-cash depreciation charges related to the value assigned to the mineral property at acquisition.

- At the Pirquitas mine, cost of sales in the fourth quarter of 2016 was $33.2 million, compared to $51.0 million in the fourth quarter of 2015, resulting in a loss from mine operations of $4.1 million in the fourth quarter of 2016 compared to a loss of $28.4 million in the fourth quarter of 2015. The fourth quarter of 2016 was negatively impacted by $3.7 million of non-cash write downs of inventory and VAT receivable. The fourth quarter of 2015 was negatively impacted by a non-cash write-down of inventory of $19.9 million. Excluding the severance provision and non-cash adjustments in the fourth quarter of 2016 and the inventory write-down and severance provision in the fourth quarter of 2015, the mine recognized a positive margin of 21% and a negative margin of 17%, respectively, mainly due to higher realized prices and lower unit costs in the fourth quarter of 2016 than in the comparative period. The fourth quarter of 2016 margin was also impacted by $9.2 million reduction to revenue from valuation adjustments on outstanding sales contracts.

Other operating costs

General and administrative expenses in the three months ended December 31, 2016, of $1.4 million were lower than the $4.3 million recorded in the three months ended December 31, 2015. Share-based compensation was lower in the current quarter in addition to lower head office expenses which benefited from a weaker Canadian dollar in the fourth quarter of 2016 compared to the fourth quarter of 2015. Excluding share-based compensation, general and administrative expense in the fourth quarter of 2016 was $3.7 million.

Exploration and evaluation costs of $2.3 million for the three months ended December 31, 2016, were lower than the $8.1 million for the three months ended December 31, 2015. In both periods, the main exploration focus was on

the Chinchillas project and the Marigold mine, and in the fourth quarter of 2015 we also performed exploration at the Berenguela project in Peru.

Non-operating items

In the fourth quarter of 2016, we generated a gain of $6.5 million from the sale of the Parral properties in Mexico and the Diablillos project in Argentina. We did not sell any exploration and evaluation assets in the comparative quarter of 2015.

During the fourth quarter of 2016, we recorded interest expense and other financing costs of $6.4 million compared to the $6.9 million recorded in the fourth quarter of 2015. In each period, the interest expense is mainly attributable to our Notes. In the fourth quarter of 2015, we also incurred higher finance expense in the form of a discount on the sale of our VAT credits in Argentina than in the current quarter and finance expense from an Argentine peso-denominated local loan which was fully paid off in the second quarter of 2016.

We recorded foreign exchange losses for the three months ended December 31, 2016, of $1.6 million compared to losses of $4.8 million in the three months ended December 31, 2015. Our main foreign exchange exposures are related to Argentine peso and Canadian dollars. During the three months ended December 31, 2016, this loss resulted from the Argentine peso and Canadian dollar weakening against the U.S. dollar. The significant loss in the fourth quarter of 2015 mainly resulted when the Argentine peso significantly weakened in December 2015, as the new Argentine government lifted currency controls.

Taxation

For the three months ended December 31, 2016, we recorded an income tax expense of $6.5 million compared to an income tax expense of $6.4 million in the three months ended December 31, 2015. The total income tax expense in the quarter consists of a current tax expense of $7.2 million and a deferred tax recovery of $0.7 million. Income tax expense is the result of profitable operations at the Marigold mine and the Seabee Gold Operation, and payment of $4.9 million of withholding tax on repatriation of funds from Argentina due to the strong operating performance of Pirquitas during 2016. Offsets to the income tax expense items include general and administrative expenses in Canada, loss from concentrate and gold sales activities in Canada and the reversal of the deferred tax liabilities resulting from the initial acquisition of the Seabee Gold Operation.

The tax expense in the three months ended December 31, 2015, was a result of profitable operations at the Marigold mine, concentrate and gold sales activities in Canada and the derecognition of a deferred tax asset relating to a portion of the reclamation provision at the Marigold mine.

Other comprehensive income

During the fourth quarter of 2016, we recognized an unrealized loss of $31.1 million on marketable securities in other comprehensive income, compared to a loss of $13.2 million in the fourth quarter of 2015.

Cash flow statement

	Three months ended December 31	
	2016	2015
Cash flows from operating activities		
Cash generated by operating activities before interest and income taxes paid	**82,131**	22,045
Interest (paid)	**92**	(295)
Income taxes (paid)	**(8,093)**	(1,201)
Cash generated from operating activities	**74,130**	20,549
Cash flows from investing activities		
Purchase of plant and equipment	**(11,035)**	(9,569)
Capitalized stripping costs	**(10,171)**	—
Underground mine development costs	**(2,433)**	—
Capitalized exploration costs	**(1,405)**	(295)
Proceeds from sale of property, plant and equipment	**361**	—
(Increase) in restricted cash	**—**	(1,316)
Proceeds from sale of marketable securities	**547**	438
Interest received	**94**	166
Cash used in investing activities	**(24,042)**	(10,576)
Cash flows from financing activities		
Proceeds from bank loan	**—**	1,534
Repayment of bank loan	**—**	(52)
Proceeds from exercise of stock options	**336**	411
Cash generated by financing activities	**336**	1,893
Effect of foreign exchange rate changes on cash and cash equivalents	**(841)**	(21)
Increase in cash and cash equivalents	**49,583**	11,845
Cash and cash equivalents, beginning of period	**277,544**	200,017
Cash and cash equivalents, end of period	**327,127**	211,862

Due to higher metal prices and sales volumes, our fourth quarter 2016 cash generated from operating activities was $74.1 million compared to $20.5 million in the same period of 2015. From our cash from operating activities, we funded $11.0 million investments in plant and equipment, $10.2 million of capitalized stripping and $2.4 million of underground development. Our cash balance increased by $49.6 million in the quarter to $327.1 million at the end of 2016.

8. LIQUIDITY

At December 31, 2016, we had $327.1 million of cash and cash equivalents, an increase of $115.3 million from December 31, 2015. Our cash generated by operating activities was $170.7 million, while $42.3 million was invested in plant and equipment and $38.0 million was invested in capitalized stripping and underground development at Marigold mine and the Seabee Gold Operation, which will benefit future periods. We acquired $16.8 million of cash held by Claude Resources pursuant to our acquisition and immediately after the acquisition we repaid in full Claude Resources' credit facility of $13.7 million and our short-term loan in Argentina of $3.8 million. We also received $18.2 million plus interest through the refund of our deposit with the CRA upon the favorable resolution of our tax dispute. In addition, we received $6.7 million from the exercise of stock options and $5.0 million from sales of marketable securities.

Of our cash and cash equivalents balance, $312.4 million was held in Canada and the United States. At December 31, 2016, we held $11.9 million cash in Argentina. Cash equivalents are invested in short-term investments or high interest

savings accounts under our investment policy with maturities of 90 days or less providing us with sufficient liquidity to meet our foreseeable corporate needs.

On January 27, 2015, we received the NOR from the CRA in the 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. On April 20, 2015, we filed a Notice of Objection with the CRA and, on September 15, 2015, we filed a Notice of Appeal with the Tax Court of Canada to dispute the NOR.

On August 8, 2016, we announced that we executed minutes of settlement (the "Settlement Agreement") with the DOJ to resolve the NOR in our favor. Pursuant to the terms of the Settlement Agreement, the CRA issued a new notice of reassessment for each of the 2010 and 2011 taxation years reversing the NOR, and refunded to us our deposit of $18.2 million, plus accrued interest. On September 7, 2016, the DOJ filed a notice of discontinuance of our appeal with the Tax Court of Canada.

At December 31, 2016, our working capital position increased to $559.9 million, which was an increase of $219.1 million from $340.9 million at December 31, 2015, mainly due to significant cash contributions from our assets, the appreciation in value of our marketable securities and the Seabee Gold Operation working capital acquired. 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. Our cash balance at December 31, 2016, along with projected operating cash flows, are expected to be sufficient to fund planned activities over the next twelve months from the date of this MD&A. We continue to focus on capital allocation and our cost reduction strategy, while also implementing various optimization activities at our operations to improve the cash generating capacity of each mine.

The following table summarizes our financial liabilities, operating and capital commitments at December 31, 2016:

	Payments due by period (as at December 31, 2016)					At December 31, 2015
Contractual obligations	**Less than one year**	**1 - 3 years**	**4-5 years**	**After 5 years**	**Total**	Total
	$	**$**	**$**	**$**	**$**	$
Trade and other payables	**60,253**	**—**	**—**	**—**	**60,253**	52,113
Current provisions	**67,130**	**—**	**—**	**—**	**67,130**	65,633
Notes [(i)]	**—**	**265,000**	**—**	**—**	**265,000**	265,000
Interest on convertible notes [(i)]	**7,619**	**19,047**	**—**	**—**	**26,666**	34,284
Operating expenditure commitments	**6,722**	**10,442**	**—**	**—**	**17,164**	20,648
Capital expenditure commitments	**1,493**	**—**	**—**	**—**	**1,493**	—
Minimum lease rental and lease payments	**494**	**959**	**54**	**—**	**1,507**	1,563
Total contractual obligations	**143,711**	**295,448**	**54**	**—**	**439,213**	439,241

[(i)] The 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 $20.00 per common share.

9. CAPITAL RESOURCES

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 our 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.

As of December 31, 2016, we were in compliance with externally-imposed financial covenants in relation to our $75 million senior secured revolving credit facility. Our Notes do not contain any financial covenants.

As at December 31, 2016, we had 119,401,795 common shares outstanding and3,038,707 stock options outstanding which, dependent on vesting conditions, are exercisable into common shares at prices ranging between C$1.78 and C$28.78.

Outstanding share data

The authorized capital consists of an unlimited number of common shares without par value. As atFebruary 23, 2017, the following common shares and options were outstanding:

	Number of shares	Exercise price* C$	Remaining life (years)
Capital stock	119,425,542		
Stock options	3,389,510	1.78 - 28.78	0.1 - 6.9
Fully diluted	122,815,052		

*Stock options include those issued upon acquisition of Claude Resources Inc.

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. Our use of derivatives is limited to specific programs to manage fluctuations in foreign exchange, diesel prices and marketable securities risks, 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 and silver and also prices of input commodities such as diesel. 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 commodities;
- speculative activities;
- the availability and costs of substitutes;
- inflation; and
- political and economic conditions, including interest rates and currency values.

The principal financial instruments that we hold which are impacted by commodity prices are our silver concentrate trade receivables. The majority of our 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 or decrease in the silver prices as at December 31, 2016, with all other variables held constant, would have resulted in a $2.9 million (December 31, 2015 - $1.5 million) increase or decrease to our trade receivables and after-tax net income (loss).

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 mining consumables including diesel fuel and electricity.

During 2016, under our risk management policy we have used swaps and options to manage a portion of our cost of diesel. Our instruments are based on the ultra low sulphur Gulf Coast diesel index for diesel consumed at the Marigold mine. As at December 31, 2016, the spot price of diesel was $1.67/gallon and we have hedged the following future anticipated usage at the Marigold mine:

	2017
Gallons hedged (in thousands)	4,068
Estimated usage	40%
Floor price ($/gallon)	1.33
Cap price ($/gallon)	1.74

A 10% increase or decrease in diesel fuel market prices would have resulted in a $0.7 million decrease or increase in our after-tax net income for the year ended December 31, 2016. As at December 31, 2016, we had a mark-to-market gain of $688,000 on outstanding diesel fuel hedges recognized in other comprehensive income. As and when it is determined to be favourable, we may execute additional diesel fuel hedges under our risk management policy.

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 OCI. A 10% change in prices would have a $13.0 million impact on total comprehensive income at December 31, 2016 (December 31, 2015 - $7.7 million). We have not hedged any securities in 2016 or 2015.

(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, 2016	
	Canadian dollar	**Argentine peso**
Cash	15,325	11,858
Marketable securities	142,670	—
Value added tax receivable	398	17,826
Other financial assets	—	1,184
Trade and other payables (excluding VAT and income taxes)	(17,084)	(16,474)
Current provisions	—	(7,329)
Total	**141,309**	**7,065**

	December 31, 2015	
	Canadian dollar	Argentine peso
Cash	1,254	290
Marketable securities	87,741	—
CRA income tax receivable	18,243	—
Value added tax receivable	109	24,349
Other financial assets	—	925
Trade and other payables (excluding VAT and income taxes)	(8,395)	(18,189)
Current debt	—	(4,273)
Current provisions	—	(4,654)
Total	98,952	(1,552)

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.

In December 2015, the new government of Argentina formally relaxed many of the capital controls that had existed under the previous regime. The new currency regime allowed the Argentine peso to freely fluctuate with market forces and, over the course of 2016, the Argentine peso devalued by approximately 22% compared to 53% in 2015, which had a material negative impact primarily on our VAT receivables asset, but has benefited our liabilities.

The Canadian dollar was relatively stable through most of 2016, ending the year having appreciated by 3% and closing at 1.34 Canadian dollars per U.S. dollar. This has benefited the value of marketable securities and our Canadian dollar cash, while having a marginally negative impact on our Canadian operating costs and liabilities in U.S. dollar terms.

Over the course of 2015, the Canadian dollar weakened by 19%, which largely correlated to the price of oil and resulted in material negative impacts on our marketable securities and CRA receivable balance, but benefited our Canadian dollar operating expenses and liabilities. The impact on marketable securities is recognized in other comprehensive loss, but all other impacts are recorded in our consolidated statement of income (loss).

The closing of the acquisition of the Seabee Gold Operation in 2016 has materially increased our exposure to Canadian dollar operating and capital costs. Under our risk management policy we have entered into options to manage this exposure. As at December 31, 2016, the exchange rate was 1.34 Canadian dollars per U.S. dollar and we had the following hedge positions outstanding:

	2017
Notional amount (in thousands of Canadian dollars)	**3,000**
Floor level (Canadian dollars per $1 U.S.)	**1.29**
Cap level (Canadian dollars per $1 U.S.)	**1.42**

A 10% increase or decrease in the U.S. dollar exchange rate, as at December 31, 2016 and December 31, 2015, 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, 2016 and December 31, 2015, respectively:

	2016	2015
	$000s	$000s
Canadian dollar	**10,495**	7,342
Argentine peso	**476**	208

(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 because these are the only financial instruments we hold that are impacted by interest based on variable market interest rates. The Notes have a fixed interest rate 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 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, 2016, the weighted average interest rate earned on our cash and cash equivalents was 0.60% (December 31, 2015 - 0.40%). With other variables unchanged, a 1% change in the annualized interest rate would impact after-tax net income by $1.6 million (2015 - $1.3 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 Our credit risk with respect to other financial assets has increased in 2016 following the sales of the Parral properties and the Diablillos project, for which we are entitled to deferred consideration totaling $9.1 million. We have security related to these payments in the event of default.

We also have credit risk through our significant VAT 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, 2016 and December 31, 2015 was as follows:

	December 31, 2016	December 31, 2015
	$000s	$000s
Cash and cash equivalents	**327,127**	211,862
Value added tax receivable	**19,993**	26,795
Trade and other receivables	**36,236**	21,659
Other financial assets	**14,116**	4,206
	397,472	264,522

At December 31, 2016, no amounts were held as collateral except those discussed above 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 24(d) of our consolidated financial statements. Our objective is to ensure that there are sufficient committed financial resources to meet our business requirements for a minimum of twelve months.

To supplement corporate liquidity we have a credit facility (note 15(b) of our consolidated financial statements) of which we utilized $7.6 million (December 31, 2015 - $7.5 million) for corporate purposes to secure certain letters of credit.

In addition, we use surety bonds to support certain environmental bonding obligations. As at December 31, 2016, we had surety bonds totaling $50.7 million outstanding (December 31, 2015 - $46.0 million).

A detailed discussion of our liquidity position and the maturity profile of financial liabilities presenting contractual undiscounted cash flows as at December 31, 2016, is included in section 8.

In our opinion, working capital at December 31, 2016 together with future cash flows from operations are sufficient to support our commitments through 2017.

We have no 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 Annual Report on Form 40-F, which is available on the EDGAR section of the SEC website at www.sec.gov.

The following are additional risks from those disclosed in our Annual Information Form resulting from the acquisition of Claude Resources which closed on May 31, 2016:

Failure to effectively manage our tailings facilities at the Seabee Gold Operation could negatively impact production

Managing the tailings produced at the Seabee Gold Operation is integral to gold production. The Seabee Gold Operation's tailings management facilities have the capacity to store tailings from milling ore from the Seabee mill until approximately 2020. We are currently in the process of planning tailings capacity expansion beyond 2020. This will support the extension of the Seabee Gold Operation's mine life and provide additional tailings capacity to process ore from the Santoy mine complex. If we do not receive regulatory approval for new or expanded tailings facilities, gold production could be constrained.

Extreme weather conditions may adversely impact production and profitability at the Seabee Gold Operation

Extreme weather events (such as increased frequency or intensity of rain, increased snow pack or warmer winter) may adversely affect access to and disrupt operations at our Seabee Gold Operation. Where appropriate, we have developed emergency plans at our Seabee Gold Operation for managing extreme weather conditions; however, extended disruptions to supply lines could result in interruption to production, which may adversely affect our business and financial condition.

Our facilities at the Seabee Gold Operation depend on regular supplies of consumables (including diesel, tires, sodium cyanide and reagents) to operate efficiently. In the event that the effects of extreme weather events cause prolonged disruption to the delivery of essential commodities or affect the prices of these commodities, our production efficiency at the Seabee Gold Operation may be reduced.

Although we make efforts to mitigate these risks by ensuring that extreme weather conditions are included in emergency response plans at our Seabee Gold Operation as required, there can be no assurance that these efforts will be effective and that these risks will not have an adverse effect on our Seabee Gold Operation and therefore profitability.

12. RELATED PARTY TRANSACTIONS

a) Key management compensation

Key management includes our directors (executive and non-executive) and other key officers, including the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The compensation paid or payable to key management for employee services is shown below:

Years ended December 31	2016	2015
	$	$
Salaries and other short-term employee benefits	**2,433**	3,033
Post-employment benefits	**29**	29
Share-based compensation [(i)]	**4,915**	4,069
Total compensation	**7,377**	7,131

[(i)] Share-based compensation includes mark-to-market adjustments on cumulative Deferred Share Units and Performance 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 as at December 31, 2016, of which are presented in the following table:

Subsidiary	Location	Ownership	Principal project
Marigold Mining Company	USA (Nevada)	100%	Marigold
Claude Resources Inc.	Canada (Saskatchewan)	100%	Seabee Gold Operation
Mina Pirquitas, LLC	USA (Delaware)	100%	Pirquitas
Silver Standard Durango, S.A. de C.V.	Mexico	100%	Pitarrilla
Reliant Ventures S.A.C.	Peru	100%	San Luis
Intertrade Metals Limited Partnership	Canada	100%	Sales and marketing

13. NON-GAAP AND ADDITIONAL 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. These non-GAAP measures should be read in conjunction with our consolidated financial statements.

Additional GAAP measures are line items, headings or subtotals that are relevant to an understanding of the financial statements but are not mandated by IFRS.

Non-GAAP financial measures - Cash costs and AISC per payable ounce of precious metals sold

We use the non-GAAP financial measures of cash costs and AISC 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. Cash costs per ounce metrics, net of by-product credits, are also used in our internal decision making processes. Accordingly, 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 GAAP.

In line with the guidance published by the World Gold Council, AISC reflect the full cost of operating our consolidated business as they include the cost of replacing ounces through exploration, cost of sustaining capital and general and administrative expenses. Expansionary capital is not included in this measure.

The following table provides a reconciliation of our condensed consolidated interim and annual statements of income (loss) to cash costs and AISC per payable ounce of precious metals sold for the three and twelve month periods indicated below:

	Q4	Q3	Q2	Q1	Total	Total
	2016	2016	2016	2016	2016	2015
	$000s	$000s	$000s	$000s	$000s	$000s
Marigold mine						
Cost of sales (A)	**48,399**	39,675	41,556	46,515	**176,145**	179,757
Add: Treatment and refining costs	**45**	59	21	61	**186**	177
Less: By-product revenue	**(9)**	(14)	(9)	(9)	**(41)**	(46)
Less: Depreciation, depletion and amortization	**(12,569)**	(9,747)	(10,321)	(11,687)	**(44,324)**	(37,254)
Cash costs	**35,866**	29,973	31,247	34,880	**131,966**	142,634
Sustaining capital expenditure	**3,271**	8,310	9,660	3,233	**24,474**	22,595
Exploration and evaluation costs (sustaining)	**1,276**	1,145	1,597	1,102	**5,120**	6,204
Reclamation cost	**604**	433	535	158	**1,730**	578
Capitalized stripping costs	**10,171**	13,787	7,231	1,435	**32,624**	12,543
AISC	**51,188**	53,648	50,270	40,808	**195,914**	184,554
Seabee Gold Operation [1]						
Cost of sales (B)	**18,311**	25,088	13,221	—	**56,620**	—
Add: Treatment and refining costs	**20**	30	6	—	**56**	—
Less: By-product revenue	**—**	—	(28)	—	**(28)**	—
Less: Adjustment for fair value at acquisition	**—**	(2,283)	(5,708)	—	**(7,991)**	—
Less: Depreciation, depletion and amortization	**(8,077)**	(8,365)	—	—	**(16,442)**	—
Cash costs	**10,254**	14,470	7,491	—	**32,215**	—
Sustaining capital expenditure	**1,010**	570	337	—	**1,917**	—
Capital development	**2,432**	2,104	803	—	**5,339**	
Exploration and evaluation costs (sustaining)	**598**	1,206	117	—	**1,921**	—
Reclamation cost	**48**	48	16	—	**112**	—
AISC	**14,342**	18,398	8,764	—	**41,504**	—
Pirquitas mine						
Cost of sales (C)	**33,151**	19,428	19,936	31,700	**104,215**	176,725
Add: Treatment and refining costs	**4,681**	5,355	4,454	5,555	**20,045**	16,902
Less: By-product revenue	**—**	—	(503)	—	**(503)**	(7,323)
Less: Inventory NRV write-down	**(3,701)**	—	—	—	**(3,701)**	(27,638)
Less: Restructuring costs	**(5,692)**	—	—	—	**(5,692)**	(4,654)
Less: Depreciation, depletion and amortization	**(3,713)**	(855)	(2,070)	(8,165)	**(14,803)**	(42,114)
Less: Export duties on silver concentrate	**—**	—	—	(1,497)	**(1,497)**	(8,999)
Cash costs	**24,726**	23,928	21,817	27,593	**98,064**	102,899
Sustaining capital expenditure	**3,467**	3,158	2,057	1,578	**10,260**	9,319
Exploration and evaluation costs (sustaining)	**—**	—	—	—	**—**	4,553
Reclamation cost	**770**	743	725	707	**2,945**	3,080
AISC	**28,963**	27,829	24,599	29,878	**111,269**	119,851
Cost of sales, per consolidated statement of (loss) income (A+B+C)	**99,861**	84,191	74,713	78,215	**336,980**	356,482
AISC (total for all mines)	**94,493**	99,875	83,633	70,686	**348,687**	304,405
General and administrative costs	**1,203**	4,061	12,466	4,361	**22,091**	22,341
Consolidated AISC	**95,696**	103,936	96,099	75,047	**370,778**	326,746

	Q4	Q3	Q2	Q1	Total	Total
	2016	2016	2016	2016	2016	2015
	$000s	$000s	$000s	$000s	$000s	$000s
Marigold mine						
Payable ounces of gold sold (oz)	**61,279**	47,100	47,100	48,500	**203,979**	206,115
Cash costs per gold ounce sold ($/oz)	**585**	636	663	719	**647**	692
AISC per gold ounce sold ($/oz)	**835**	1,139	1,067	841	**960**	895
Seabee Gold Operation [1]						
Payable ounces of gold sold (oz)	**17,220**	21,900	11,300	—	**50,420**	—
Cash costs per gold ounce sold ($/oz)	**595**	661	663	—	**639**	—
AISC per gold ounce sold ($/oz)	**833**	840	776	—	**823**	—
Pirquitas mine						
Payable ounces of silver sold (oz)	**2,524,343**	2,820,419	2,460,205	3,089,476	**10,894,443**	9,636,000
Cash costs per silver ounce sold ($/oz)	**9.80**	8.48	8.87	8.93	**9.00**	10.68
AISC per silver ounce sold ($/oz)	**11.47**	9.87	10.00	9.67	**10.21**	12.44
Realized gold price ($/oz)	**1,243**	1,331	1,263	1,189	**1,261**	1,151
Realized silver price ($/oz)	**17.14**	19.64	16.52	14.94	**17.05**	15.92
Precious metals equivalency						
Equivalent payable gold ounces sold [2]	**113,308**	110,618	90,579	87,320	**401,703**	339,395
Cash costs per equivalent gold ounce sold ($/oz)	**625**	618	669	715	**653**	723
Consolidated AISC per equivalent gold ounce sold ($/oz)	**845**	940	1,061	859	**923**	963

[1] The data presented for the Seabee Gold Operation is for the period from May 31, 2016, to December 31, 2016, the period for which we were entitled to all economic benefits of the Seabee Gold Operation following our acquisition of Claude Resources.

[2] Gold equivalent ounces have been established using realized gold and silver prices in the period and applied to the recovered metal content of the gold and silver sold by the Marigold mine, the Seabee Gold Operation and the Pirquitas mine. We have not included zinc as it is considered a by-product.

Non-GAAP financial measures - realized 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 income (loss) before tax, adjusted income tax (expense), adjusted net income (loss) and adjusted basic earnings (loss) per share. Adjusted net income (loss) excludes gains/losses and other costs incurred for acquisitions and disposals of mineral properties and exploration and evaluation assets, 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 income (loss) to provide a measure which allows investors to evaluate the operating results of our underlying core operations 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, 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 GAAP.

The following table provides a reconciliation of adjusted net income (loss) to the consolidated financial statements:

	Year ended December 31,	
	2016	2015
	$000's	$000's
Net income (loss) before tax, per consolidated statement of loss	**80,985**	(113,657)
Adjusted for:		
Gain on sale of exploration and evaluation assets	**(6,522)**	—
Write-down assets held for sale	**2,466**	—
Business acquisition and integration costs	**4,757**	—
Severance provision	**5,692**	5,205
Non-cash finance income and expense	**15,593**	14,128
Write-down of VAT and inventory to NRV	**4,569**	27,638
Impairment charges	**—**	48,421
Non-recurring disposals of fixed assets	**3,593**	5,317
Non-cash foreign exchange loss	**3,988**	14,159
Other items	**1,657**	913
Adjusted income before tax	**116,778**	2,124
Income tax (expense), per consolidated statement of income	**(16,028)**	(10,645)
Withholding tax in Argentina	**4,940**	350
Deferred tax on sale of mineral properties	**(3,412)**	—
Change in prior period adjustments	**(2,050)**	—
Other items	**74**	(26)
Adjusted income tax expense	**(16,476)**	(10,321)
Adjusted net income (loss)	**100,302**	(8,197)
Weighted average shares outstanding (000's), per consolidated statement of (loss) income	**103,267**	80,770
Adjusted basic income (loss) per share ($)	**0.97**	(0.10)

	Three months ended	
	December 31, 2016	December 31, 2015
	$000's	$000's
Net income (loss) before tax	**18,606**	(60,353)
Adjusted for:		
Gain on sale of exploration and evaluation assets	**(6,522)**	—
Write-down of assets held for sale	**2,466**	—
Business acquisition and integration costs	**228**	—
Severance provision	**5,692**	5,205
Non-cash finance income and expense	**3,996**	3,755
Write-down of VAT and inventory to NRV	**4,569**	19,921
Impairment charges	**—**	13,931
Non-recurring disposals of fixed assets	**3,593**	978
Non-cash foreign exchange loss	**1,258**	8,690
Other items	**(1,179)**	(393)
Adjusted income (loss) before tax	**32,707**	(8,266)
Income tax expense	**(6,474)**	(6,369)
Withholding tax in Argentina	**4,940**	—
Deferred tax on sale of mineral properties	**(752)**	
Change in prior period estimates	**329**	7,403
Other items	**—**	—
Adjusted income tax expense	**(1,957)**	1,034
Adjusted net income (loss)	**30,750**	(7,232)
Weighted average shares outstanding (000's)	**119,398**	80,816
Adjusted basic income (loss) per share ($)	**0.26**	(0.09)

Additional GAAP financial measures - income (loss) from mine operations

Income (loss) from mine operations represents the amount of revenues less mining and processing expenses, export duties, royalties, and depreciation and depletion expense. It also includes non-cash adjustments to inventories, VAT and restructuring provisions, where applicable.

Additional GAAP financial measures - gross margin from mine operations

Gross margin from mine operations is the difference between revenue and cost of sales, divided by revenue, expressed as a percentage.

Additional GAAP financial measures - operating income (loss)

Operating income (loss) represents the income from mine operations less operating costs, such as general and administrative expenses, exploration and evaluation costs and impairment charges. This measure excludes foreign exchange, interest and other non-operating costs.

14. CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Basis of preparation and accounting policies

Our 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, 2016, 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 the consolidated financial statements are based on IFRS issued and applicable for the year ended December 31, 2016, and were approved as of February 23, 2017, the date our Board of Directors approved the financial statements.

On April 1, 2015, we adopted all of the requirements of IFRS 9,*Financial Instruments: Recognition and Measurement*. The 2015 balances shown in the consolidated statements of changes in shareholders' equity reflect this change.

Adoption of new or amended IFRS pronouncements

No new or amended IFRS pronouncements were adopted during 2016.

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 non-current asset carrying values and impairment assessment In accordance with our accounting policy (note 2(m) of our consolidated financial statements), goodwill is tested for impairment annually and each asset or cash generating unit ("CGU") is evaluated every reporting period to determine whether there are any indicators of impairment. If an impairment test is required, 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 fair value less costs to dispose (“FVLCTD”) or value in use (“VIU”).

The evaluation of asset carrying values for indications of impairment includes judgments 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 ("LOM") estimates.

The determination of FVLCTD and VIU requires management to make estimates and assumptions about expected production based on current estimates of recoverable metal, commodity prices, operating costs, taxes and export duties, inflation and foreign exchange, salvage value, future capital expenditures and discount rates. 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).

Mineral Reserves and Mineral Resources estimates We estimate Mineral Reserves and Mineral Resources based on information prepared by Qualified Persons as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects (“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.

Determination of capitalized 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 capitalized stripping asset is amortized.

Determination of useful lives of property, plant and equipment We use the units of production method to depreciate mineral properties, whereby depreciation is calculated using the quantity 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. Other assets are depreciated using the straight-line method, which includes significant management judgment to determine useful lives and residual values.

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, recovery rates, grade, assumed contained metal in stockpiles and production and selling costs requires significant assumptions that may impact the stated value of our inventory and lead to changes in NRV.

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.

Material and supplies inventory
In determining the value of material and supplies inventory, we make estimates of the amounts to be used and realizable value through disposals or sales. 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 LOM. 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 mineral properties 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, whether closure plans achieve intended reclamation goals, 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 cash-settled share-based compensation granted is computed to determine the relevant charge to the consolidated statement of income (loss). 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, forfeiture rates and our total shareholder return in comparison to our peer group.

Valuation of financial instruments We are required to determine the valuation of our metal concentrate accounts receivable and deferred consideration. The valuation of the accounts receivable requires estimates of settlement dates and relies on market-based forward metal prices at those settlement dates and the valuation of deferred consideration requires estimates of discount rates to be applied to future cash payments and equity valuations of retained interest in counterparties.

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 make 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 our consolidated financial statements.

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.

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 of the acquiree.

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. Inventory valuation requires an estimation of recoverable ounces, production profile, future metal prices and costs to complete the production process. 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 assets' valuations are based upon LOM plans, as well as estimates of future metal prices, costs, and economic assumptions relating to inflation rates and discount rates. Exploration and evaluation assets valuations are based upon estimates of Mineral Resources, future exploration potential, estimates of future metal prices, costs and economic

assumptions relating to inflation rates and discount rates. The reclamation provision requires an estimate of the timing of future reclamation cash flows and economic assumptions around inflation and discount rates.

Determination of the timing of derecognition of exploration and evaluation assets Judgment is required in assessing certain criteria to determine when derecognition of an exploration and evaluation asset has occurred.

15. FUTURE ACCOUNTING CHANGES

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 covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In September 2015, the IASB deferred the effective date of the standard to annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. We will not be early adopting IFRS 15. We are currently assessing the impact on our consolidated financial statements. We have identified two potential areas of impact:

- Gold doré or bullion sales – we do not anticipate these sales to be significantly affected by IFRS 15
- Concentrate sales – we do not anticipate these sales or the associated provisional pricing adjustments to be significantly affected by IFRS 15

We will continue to assess and implement the new revenue recognition policy and any related impact on our internal controls throughout 2017.

Leases
The IASB has replaced IAS 17, *Leases* in its entirety with IFRS 16, *Leases* ("IFRS 16"), which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. We are currently assessing the impact on our consolidated financial statements along with timing of our adoption of IFRS 16. We expect that IFRS 16 will result in an increase in assets and liabilities as fewer leases will be expensed as payments are made. We expect an increase in depreciation and accretion expenses and also an increase in cash flow from operating activities as these lease payments will be recorded as financing outflows in our cash flow statement.

There are no other IFRS or International Financial Reporting Interpretations Committee 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, 2016, other than the acquisition of the Seabee Gold Operation, 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, 2016. 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, 2016. In conducting this evaluation, the Seabee Gold Operation 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 2016. The Seabee Gold Operation is owned by a wholly-owned subsidiary, the total assets and total revenues of which represent 29% and 13%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2016.

The effectiveness of our internal control over financial reporting, as of December 31, 2016, has been audited by PricewaterhouseCoopers LLP, who also audited our consolidated financial statements as of and for the years ended December 31, 2016 and 2015, 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 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"). 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," "believes," 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: future production of gold, silver and other metals; future costs of inventory, and cash costs, total costs and AISC per payable ounce of gold, silver and other metals sold; expected exploration and development expenditures; the prices of gold, silver and other metals; the timing of cessation of stockpile processing at the Pirquitas mine; estimated expenses relating to remediation at Pirquitas; the effects of laws, regulations and government policies affecting our operations or potential future operations; future successful development of our projects; the expected timing to complete engineering studies at the Chinchillas project and make a decision about whether to move forward with the project; the sufficiency of our current working capital, anticipated operating cash flow or our ability to raise necessary funds; estimated production rates for gold, silver and other metals produced by us; timing of production and the cash costs, total costs and AISC of production at the Marigold mine, the Seabee Gold Operation and the Pirquitas mine; the estimated cost of sustaining capital; ongoing or future development plans and capital replacement, improvement or remediation programs; the expected benefits of the new leach pad at the Marigold mine; the estimates of expected or anticipated economic returns from our mining projects, including future sales of metals, concentrate or other products produced by us; our ability to expand Mineral Resources and convert Mineral Resources into Mineral Reserves; 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 Marigold mine, the Seabee Gold Operation, the Pirquitas mine and our projects; our ability to replace Mineral Reserves; subject to exercising our election to proceed, our ability to complete and successfully integrate Golden Arrow's Chinchillas project, on a joint venture basis, into our current operations; commodity price fluctuations; political or economic instability and unexpected regulatory changes; currency fluctuations; the possibility of future losses; general economic conditions; fully realizing the value of our shareholdings in Pretium and our other marketable securities, due to changes in price, liquidity or disposal cost of such marketable securities; potential export duty and related interest on past production and sales of silver concentrate from the Pirquitas mine; 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 cost overruns; our ability to obtain adequate financing for further exploration and development programs and opportunities; uncertainty in acquiring additional commercially mineable mineral rights; delays in obtaining or failure to obtain governmental permits, or non-compliance with our permits; our ability to attract and retain qualified personnel and management; potential labour unrest, including labour actions by our unionized employees at the Pirquitas mine; the impact of governmental regulations, including health, safety and environmental regulations, including increased costs and restrictions on operations due to compliance with such regulations; reclamation and closure requirements for our mineral properties; failure to effectively manage our tailings facilities; social and economic changes following closure of a mine, including the expected closure of the Pirquitas mine in 2017, may lead to adverse impacts and unrest; unpredictable risks and hazards related to the development

and operation of a mine or mineral property that are beyond our control; indigenous peoples' title claims and rights to consultation and accommodation may affect our existing operations as well as development projects and future acquisitions; assessments by taxation authorities in multiple jurisdictions; claims and legal proceedings, including adverse rulings in litigation against us and/or our directors or officers; compliance with anti-corruption laws and internal controls, and increased regulatory compliance costs; complying with emerging climate change regulations and the impact of climate change, including extreme weather conditions; 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; the sufficiency of 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; competition in the mining industry for mineral properties; shortage or poor quality of equipment or supplies; an event of default under our Notes may significantly reduce our liquidity and adversely affect our business; failure to meet covenants under our senior secured revolving credit facility; conflicts of interest that could arise from certain of our directors' involvement with other natural resource companies; information systems security threats; 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 Annual Report on 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 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 Marigold mine, the Seabee Gold Operation and the Pirquitas 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 Marigold mine has been reviewed and approved by Thomas Rice and James N. Carver, each of whom is a SME Registered Member and a Qualified Person under NI 43-101. Mr. Rice is our Technical Services Manager and Mr. Carver is our Chief Geologist at the Marigold mine. The scientific and technical information contained in this MD&A relating to the Seabee Gold Operation has been reviewed and approved by Cameron Chapman, P.Eng., and Jeffrey Kulas, P. Geo., each of whom is a Qualified Person under NI 43-101. Mr. Chapman is our General Manager and Mr. Kulas is our Manager Geology, Mining Operations at the Seabee Gold Operation. The scientific and technical information contained in this MD&A relating to the Pirquitas mine has been reviewed and approved by Bruce Butcher, P.Eng. and F. Carl Edmunds, P. Geo., each of whom is a Qualified Person under NI 43-101. Mr. Butcher is our Director, Mine Planning and Mr. Edmunds is our Chief Geologist.

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, 2016 and 2015

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, 2016. 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, 2016. In conducting this evaluation, the Seabee Gold Operation 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 2016. The Seabee Gold Operation is owned by a wholly-owned subsidiary, the total assets and total revenues of which represent 29% and 13%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2016.

PricewaterhouseCoopers LLP, our auditor, has audited the effectiveness of our internal control over financial reporting as of December 31, 2016, as stated in their report which appears herein.

"Paul Benson"	*"Gregory Martin"*
Paul Benson	Gregory Martin
President and Chief Executive Officer	Senior Vice President and Chief Financial Officer
February 23, 2017	

Independent Auditor's Report

To the Shareholders of Silver Standard Resources Inc.

We have completed integrated audits of Silver Standard Resources Inc.'s (the Company) December 31, 2016 and December 31, 2015 consolidated financial statements and their internal control over financial reporting as at December 31, 2016. 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., which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015 and the consolidated statements of income (loss), comprehensive income (loss), changes in shareholders' equity and cash flows for the years then ended, 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 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. as at December 31, 2016 and December 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on internal control over financial reporting
We have also audited Silver Standard Resources Inc.'s internal control over financial reporting as at December 31, 2016, 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 the Seabee Gold Operation from its assessment of internal control over financial reporting as of December 31, 2016 because it was acquired by the Company in a business combination during 2016. We have also excluded the Seabee Gold Operation from our audit of internal control over financial reporting. The Seabee Gold Operation is a wholly-owned subsidiary whose total assets and total revenues represent 29% and 13%, respectively, of the Company's related consolidated financial statement amounts as of and for the year ended December 31, 2016.

Opinion
In our opinion, Silver Standard Resources Inc. maintained, in all material respects, effective internal control over financial reporting as at December 31, 2016, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants

Vancouver, British Columbia
February 23, 2017

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Silver Standard Resources Inc.

Consolidated Statements of Financial Position

As at December 31, 2016 and 2015

(expressed in thousands of United States dollars)

	Note	December 31 2016	December 31 2015
		$	$
Current assets			
Cash and cash equivalents	4	**327,127**	211,862
Trade and other receivables	5	**58,437**	36,733
Marketable securities	6	**148,944**	88,184
Inventory	7	**154,915**	135,976
Held for sale	9	**12,097**	3,979
Other	8	**2,720**	—
		704,240	476,734
Non-current assets			
Property, plant and equipment	9	**663,828**	348,712
Income tax receivable	11	**—**	18,243
Deferred income tax assets	11	**1,096**	—
Value added tax receivable	12	**6,531**	20,792
Goodwill	3	**49,786**	—
Other	8	**13,207**	7,196
Total assets		**1,438,688**	871,677
Current liabilities			
Trade and other payables	13	**61,500**	53,352
Provisions	14	**82,806**	78,226
Debt	15	**—**	4,273
		144,306	135,851
Non-current liabilities			
Deferred income tax liabilities	11	**116,887**	29,026
Provisions	14	**55,562**	51,532
Debt	15	**220,054**	208,085
Total liabilities		**536,809**	424,494
Shareholders' equity			
Share capital	16	**1,043,555**	707,607
Other reserves	17	**(1,014)**	(54,805)
Equity component of convertible notes	15	**68,347**	68,347
Deficit		**(209,009)**	(273,966)
Total shareholders' equity attributable to our shareholders		**901,879**	447,183
Total liabilities and equity		**1,438,688**	871,677
Commitments (note 24(c))			
Events after the reporting date (note 9 and 13)			

The accompanying notes are an integral part of the consolidated financial statements

Approved by the Board of Directors and authorized for issue on February 23, 2017

"Richard D. Paterson"	*"Paul Benson"*
Richard D. Paterson, Director	Paul Benson, Director

Silver Standard Resources Inc.

Consolidated Statements of Income (Loss)

For the years ended December 31, 2016 and 2015

(expressed in thousands of United States dollars, except per share amounts)

	Note	2016	2015
		$	$
Revenue		**490,986**	375,322
Cost of sales	18	**(336,980)**	(356,482)
Income from mine operations		**154,006**	18,840
General and administrative expenses	18	**(22,091)**	(22,341)
Exploration, evaluation and reclamation expenses		**(14,553)**	(19,141)
Business acquisition costs	3	**(4,757)**	—
Impairment charges	10	**—**	(48,421)
Operating income (loss)		**112,605**	(71,063)
Gain on sales of exploration and evaluation assets	8	**6,522**	—
Interest earned and other finance income	19	**1,766**	1,280
Interest expense and other finance expenses	19	**(25,968)**	(25,965)
Other (expense)	20	**(5,810)**	(6,545)
Foreign exchange (loss)		**(8,130)**	(11,364)
Income (loss) before tax		**80,985**	(113,657)
Income tax (expense)	11	**(16,028)**	(10,645)
Net income (loss) and net income (loss) attributable to shareholders		**64,957**	(124,302)
Weighted average shares outstanding (thousands)			
Basic	21	**103,267**	80,770
Diluted	21	**104,584**	80,770
Earnings (loss) per share			
Basic	21	**$0.63**	($1.54)
Diluted	21	**$0.62**	($1.54)

The accompanying notes are an integral part of the consolidated financial statements

Silver Standard Resources Inc.

Consolidated Statements of Comprehensive Income (Loss)

For the years ended December 31, 2016 and 2015

(expressed in thousands of United States dollars)

	Note	2016	2015
		$	$
Net income (loss) for the year attributable to shareholders		**64,957**	(124,302)
Other comprehensive income (loss)			
Items that will not be reclassified to net income or loss:			
Gain (loss) on marketable securities, at FVTOCI, net of tax ($7,603) and $5,187		**51,161**	(10,355)
Items that will be reclassified to net income or loss:			
Unrealized gain (loss) on effective portion of derivative, net of tax ($208) and $315		**710**	(613)
Other comprehensive income (loss)		**51,871**	(10,968)
Total comprehensive income (loss) attributable to shareholders		**116,828**	(135,270)
Total comprehensive income (loss)		**116,828**	(135,270)

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, 2016 and 2015

(expressed in thousands of United States dollars)

	Note	Common Shares		Other reserves	Equity		Total
		Shares	Amount	(note 17)	component of	Deficit	equity
		000's	$	$	$	$	$
Balance, January 1, 2015 (restated)	2(a)	80,754	707,034	(46,467)	68,347	(149,664)	579,250
Exercise of stock options	16	72	573	(162)	—	—	411
Equity-settled share-based compensation	16	—	—	2,792	—	—	2,792
Total comprehensive (loss) for the year		—	—	(10,968)	—	(124,302)	(135,270)
Balance, December 31, 2015		80,826	707,607	(54,805)	68,347	(273,966)	447,183
Shares and options issued pursuant to the acquisition of Claude Resources, net of share issuance costs	3	**37,394**	**324,990**	**4,045**	**—**	**—**	**329,035**
Exercise of stock options	16	**1,181**	**10,958**	**(4,258)**	**—**	**—**	**6,700**
Equity-settled share-based compensation	16	**—**	**—**	**2,133**	**—**	**—**	**2,133**
Total comprehensive income for the year		**—**	**—**	**51,871**	**—**	**64,957**	**116,828**
Balance, December 31, 2016		**119,401**	**1,043,555**	**(1,014)**	**68,347**	**(209,009)**	**901,879**

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, 2016 and 2015

(expressed in thousands of United States dollars)

	Note	2016	2015
		$	$
Cash flows from operating activities			
Net income (loss) for the year		**64,957**	(124,302)
Adjustments for:			
Depreciation, depletion and amortization		**76,169**	79,983
Share-based payments		**2,133**	2,792
Net finance expense		**22,507**	23,154
(Gain) on sale of exploration and evaluation assets		**(6,522)**	—
Inventory and value added tax receivable write-downs and impairment charges		**4,569**	76,059
Other loss		**6,225**	5,717
Income tax expense		**16,028**	10,645
Non-cash foreign exchange loss		**2,069**	7,787
Net changes in non-cash working capital items	26	**9,186**	8,006
Cash generated in operating activities before interest and taxes (paid) recovered		**197,321**	89,841
Interest (paid)		**(8,087)**	(9,044)
Income taxes (paid)		**(18,550)**	(6,688)
Cash generated by operating activities		**170,684**	74,109
Cash flows from investing activities			
Purchase of plant and equipment		**(42,272)**	(37,280)
Capitalized stripping costs		**(32,624)**	(12,540)
Underground mine development costs		**(5,377)**	—
Capitalized exploration costs		**(5,797)**	(12,679)
Proceeds from sale of property, plant and equipment		**1,624**	20,000
Proceeds from sale of marketable securities		**4,969**	438
Cash received on Claude Resources acquisition, net of share exchange payment		**16,753**	—
(Increase) decrease in restricted cash		**(453)**	16,385
Interest received		**1,670**	565
Tax deposit received (paid)	11	**18,243**	(19,231)
Cash (used) in investing activities		**(43,264)**	(44,342)
Cash flows from financing activities			
Proceeds from exercise of stock options		**6,700**	411
Repayment of bank loan		**(3,845)**	(1,701)
Proceeds from bank loan		**—**	1,534
Repayment of Claude Resources credit facility	3	**(13,707)**	—
Share issuance fees on Claude Resources acquisition		**(212)**	—
Cash (used) generated by financing activities		**(11,064)**	244
Effect of foreign exchange rate changes on cash and cash equivalents		**(1,091)**	(2,792)
Increase in cash and cash equivalents		**115,265**	27,219
Cash and cash equivalents, beginning of year		**211,862**	184,643
Cash and cash equivalents, end of year		**327,127**	211,862

Supplemental cash flow information (note 26)

The accompanying notes are an integral part of the consolidated financial statements

1. NATURE OF OPERATIONS

Silver Standard Resources Inc. ("we", "us", "our" or "Silver Standard") 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 Market in the United States. Together with our subsidiaries, we (the "Group") are principally engaged in the operation, acquisition, exploration and development of precious metal properties located in the Americas. With the acquisition of Claude Resources Inc. ("Claude Resources") on May 31, 2016 (note 3), we have three producing mines and a portfolio of precious metal dominant projects located throughout the Americas. Silver Standard is the ultimate parent of the Group.

Our address is Suite 800, 1055 Dunsmuir Street, PO Box 49088, Vancouver, British Columbia, V7X 1G4.

Our strategic focus is on safe, profitable gold and silver production from our Marigold mine in Nevada, U.S., Seabee Gold Operation in Saskatchewan, Canada and Pirquitas mine in Jujuy, Argentina, and to advance, as market and project conditions permit, our other principal development projects towards development and commercial production.

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.

These statements were authorized for issue by the Board of Directors on February 23, 2017.

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).

On April 1, 2015, we adopted all of the requirements of IFRS 9, *Financial Instruments: Recognition and Measurement*. The 2015 balances shown in the consolidated statements of changes in shareholders' equity reflect this change.

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(r).

c) Basis of consolidation

These consolidated financial statements incorporate the financial statements of Silver Standard Resources Inc. and all of our subsidiaries (note 25(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)

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 value 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”). Silver Standard and all of our subsidiaries have a functional currency of United States dollars.

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 income (loss).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iii) Subsidiaries

The results and financial position of subsidiaries 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 ("OCI") 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 (loss) as part of the gain or loss on sale.

f) Revenue recognition

Our primary source of revenue is from the sale of gold doré or bullion and metal-bearing concentrate. 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 gold doré or bullion is typically recognized on the trade settlement date when funds are received.

Revenue from the sale of concentrate is recorded net of charges for treatment, refining and penalties. Net revenues from the sale of by-products are included within revenue.

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. This feature causes concentrate receivables to be measured at fair value through profit and loss (“FVTPL”).

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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, freight, depreciation, depletion and amortization and directly attributable overhead costs. 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.

Any write-downs of inventory to NRV are recorded within cost of sales in the consolidated statements of income (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. The cost of stockpiled ore inventory is derived from the current mining costs incurred up to the point of stockpiling the ore and are removed at average cost as ore is processed. 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. The cost of leach pad inventory is 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 and development stage properties in asset acquisitions, or the value attributed to properties acquired in a business combination;
- Economically recoverable exploration and evaluation expenses;
- Expenditures incurred to develop mining properties;
- Certain costs incurred during production;
- Estimates of close down and restoration costs; and
- Borrowing costs incurred that are attributable to qualifying mineral properties.

(i) Acquisition of mineral properties

The costs of acquiring exploration and development stage properties, including transaction costs, in an asset purchase are capitalized as an exploration and evaluation asset or a development asset at cost. The value attributed to acquiring mineral properties at an operating mine in a business combination is recognized as a mineral property asset. The value attributed to acquiring exploration potential in a business combination is recognized as an exploration and evaluation asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(ii) 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, as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

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; (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.

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 Mineral Reserve, as defined by NI 43-101, 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. Capitalized costs are considered to be tangible assets as they form part of the underlying mineral property.

(iii) Development expenditures

Once approval has been obtained to commence the development and construction of a mine the carrying value of the exploration and evaluation asset is reclassified as a mineral property, and 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 capable of operating as intended 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, with the stripping ratio being the ratio of waste material to ore. 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 capable of operating as intended, further operating costs, including depreciation, depletion and amortization, are included within inventory as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iv) Costs incurred during production

During the production phase of an open pit mine, where stripping activities result in improved access to ore, we recognize a capitalized stripping asset 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 estimated; the cost of waste removal in excess of the stripping ratio is capitalized, and the cost of waste and ore removal in line with the average stripping ratio is recorded in inventory. The capitalized stripping asset is amortized using a unit of production method over the identified component of the ore body.

At underground mining operations, we incur development costs to build new shafts, drifts and ramps that enable us to access ore underground. The time over which we will continue to incur these costs depends on the mine life. These underground development costs are capitalized as incurred. Capitalized underground development costs incurred to enable access to specific areas of the underground mine, and which only provide an economic benefit over the period of mining that area, are depreciated on a units of production basis relating to that particular area of the mine.

(v) 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) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment charges.

The cost of an item of 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 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

(i) Mineral properties

Our mineral properties are classified as either those being subject to depreciation or not yet subject to depreciation. On acquisition of a mineral property, we prepare an estimate of the fair value attributable to Mineral Reserves, Mineral Resources and exploration potential attributable to the property. The fair value attributable to Mineral Resources is classified to mineral properties not subject to depreciation. As Mineral Resources are converted into Mineral Reserves at operating properties a portion of the asset balance is reclassified as subject to depreciation using an average cost per ounce of Mineral Resource.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Mineral properties subject to depreciation are depreciated using the units-of-production method. In applying the units of production method over the recoverable ounces to which the asset specifically relates, 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.

No amortization is charged during the evaluation and development phases as the asset is not available for use.

(ii) Plant and equipment

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 ("LOM") or lease, if shorter. Depreciation starts on the date when the asset is available for its intended use. The major categories of plant and equipment are depreciated on a straight-line basis using the estimated lives indicated below:

Computer equipment	3 - 7 years
Furniture and fixtures	7 years
Vehicles	2 - 5 years
Mining equipment	5 - 9 years
Mobile equipment components	2 - 9 years
Buildings	LOM
Mine plant equipment	LOM
Underground infrastructure	LOM
Leasehold improvements	Lease term

Land is not depreciated.

Assets under construction are not depreciated until available for their intended use.

We conduct a review of residual values, useful lives and depreciation methods employed for property, plant and equipment annually, and when events and circumstances indicate that such a review should be made. Any changes in estimates that arise from this review are accounted for prospectively.

l) Goodwill

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the acquisition amount over such fair value being recorded as goodwill and allocated to cash generating units ("CGUs"). CGUs are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Each individual mining interest that is an operating mine is typically a CGU.

Goodwill arises principally because of the following factors: (i) the ability to capture buyer-specific synergies arising upon a transaction; and (ii) the requirement to record a deferred tax liability for the difference between the assigned values and the tax bases of the assets acquired and liabilities assumed in a business combination.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

m) Review of asset carrying values and impairment assessment

Goodwill is not amortized; instead it is tested annually for impairment. In addition, at each reporting period we assess whether there is an indication that goodwill is impaired and, if there is such an indication, we would test for goodwill impairment at that time.

Non-financial 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 income (loss).

FVLCTD is determined as the amount that would be obtained from the sale of the asset in an orderly transaction between market participants. 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 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. Goodwill that has been previously impaired is not reversed.

n) 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.

o) 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, which is recognized as a share-based compensation expense in the consolidated statement of income (loss) over the vesting period, with a corresponding increase to equity. 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.

Arrangements considered to be cash-settled are the Directors' Deferred Share Unit ("DSU") Plan, the Restricted Share Unit ("RSU") Plan and the Performance Share Unit ("PSU") Plan. The fair values of these are recognized as share-based compensation expenses in the consolidated statement of income (loss) over the vesting period, with a corresponding increase to accrued liabilities. The fair value of DSUs, PSUs, and RSUs is estimated based on the quoted market price of our common shares and are remeasured at each reporting period.

When awards are forfeited because non-market based vesting conditions are not satisfied, the expense previously recognized is proportionately reversed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

p) Taxation

The income tax expense for the period is comprised of current and deferred tax, and is recognized in the consolidated statement of income (loss) 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.

(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 offset 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 income 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 exploration and evaluation assets or inventory 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 any associated asset. If the amounts were previously expensed, the recovery will be recognized in the consolidated statement of income (loss).

q) Earnings per share

Basic earnings per share is calculated by dividing the net earnings (loss) attributable to our shareholders by the weighted average number of shares outstanding during the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Diluted earnings 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.

The convertible notes are potentially convertible into common shares and hence the potential dilution impact of these is assessed.

r) Financial instruments

We classify our financial instruments in the following categories: at FVTPL, fair value through other comprehensive income ("FVTOCI") or at amortized cost.

(i) Classification

We determine the classification of financial instruments at initial recognition.

Financial assets

- **Debt** The classification of debt instruments is driven by our business model for managing the financial assets and their contractual cash flow characteristics. A debt instrument is measured at amortized cost if the objective of the business model is to hold the debt instrument for the collection of contractual cash flows, and the asset's contractual cash flows are comprised solely of payments of principal and interest. They are classified as current or non-current assets based on their maturity date. If the business model is not to hold the asset, it is classified as FVTPL.
- **Equity** Equity instruments that are held for trading (including all equity derivative instruments) are classified as FVTPL. For other equity instruments, on the day of acquisition we can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI.

Financial liabilities Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or we have opted to measure at FVTPL.

(ii) Measurement

Financial assets and liabilities at FVTPL Financial assets and liabilities at FVTPL are initially recognized at fair value and transaction costs are expensed in the consolidated statement of income (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 income (loss) in the period in which they arise. Where we have opted to recognize a financial liability at FVTPL, any changes associated with our own credit risk will be recognized in OCI.

Financial assets at FVTOCI Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently, they are measured at fair value, with gains and losses arising from changes in fair value recognized in OCI.

Financial assets and liabilities at amortized cost Financial assets and liabilities at amortized cost are initially recognized at fair value, and subsequently carried at amortized cost less any impairment.

Derivative financial instruments When we enter into derivative contracts, these are intended to reduce the exposures related to assets and liabilities, or forecast transactions. Derivatives are classified as FVTPL unless designated as hedges, as described below.

Derivatives embedded in financial liabilities are treated as separate derivatives when their risks and characteristics are not closely related to their host contracts. However, the classification approach described above is applied to all financial assets, including those that contain embedded derivatives, without the need to separate the embedded derivative from the host contract. Commodity-based derivatives resulting from provisional sales prices of metals in concentrate are classified as FVTPL with changes in value recognized in revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(iii) Impairment of financial assets

Impairment of financial assets at amortized cost We recognize a loss allowance for expected credit losses on financial assets that are measured at amortized cost.

At each reporting date, we measure the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, we measure the loss allowance for the financial asset at an amount equal to twelve month expected credit losses.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the expected credit losses are reversed after the impairment was recognized.

(iv) Derecognition

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, canceled or expired. Gains and losses on derecognition are recognized within finance income and finance costs, respectively. Gains or losses on financial assets classified as FVTOCI remain within accumulated OCI.

(v) 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.

(vi) Hedge accounting

Derivative Instruments Derivative instruments are recorded at fair value on the consolidated statement of financial position, classified based on contractual maturity. Derivative instruments are classified as either hedges of the fair value of recognized assets or liabilities or of firm commitments ("fair value hedges"), hedges of highly probable forecast transactions ("cash flow hedges") or non-hedge derivatives. Derivatives designated as either a fair value or cash flow hedge that are expected to be highly effective in achieving offsetting changes in fair value or cash flows are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated. Derivative assets and derivative liabilities are shown separately in the consolidated statement of financial position unless there is a legal right to offset and intent to settle on a net basis.

Fair Value Hedges Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated statement of income (loss), together with any changes in the fair value of the hedged asset or liability or firm commitment that is attributable to the hedged risk.

Cash Flow Hedges The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in OCI. The gain or loss relating to the ineffective portion is recognized in the consolidated statement of income (loss). Amounts accumulated in OCI are transferred to the consolidated statement of income (loss) in the period when the forecasted transaction impacts earnings. When the forecasted transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred in OCI are transferred from OCI and included in the measurement of the initial carrying amount of the asset or liability.

When a derivative designated as a cash flow hedge expires or is sold and the forecasted transaction is still expected to occur, any cumulative gain or loss relating to the derivative that is recorded in OCI at that time remains in OCI and is recognized in the consolidated statement of income (loss) when the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was recorded in OCI is immediately transferred to the consolidated statement of income (loss).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Non-Hedge Derivatives Derivative instruments that do not qualify as either fair value or cash flow hedges are recorded at their fair value at the balance sheet date, with changes in fair value recognized in the consolidated statement of income (loss).

s) 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 the mineral property asset to which the provision relates. 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 (loss) as a finance expense.

t) 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 application of accounting policies in the consolidated financial statements are:

- Review of non-current asset carrying values and impairment assessment;
- Determination of capitalized 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;
- Assessment of fair value of assets acquired in a business combination; and
- Determination of the timing of derecognition of exploration and evaluation assets.

Key sources of estimation uncertainty that have the most significant effect on the amounts recognized in the consolidated financial statements are:

- Review of non-current asset carrying values and impairment assessment;
- Mineral Reserves and Mineral Resources estimates;
- Determination of useful lives of property, plant and equipment;
- Valuation of inventory;
- Close down and restoration provision;
- Determination of the fair values of share-based compensation;
- Valuation of financial instruments;
- Deferred tax assets and liabilities;
- Contingencies; and
- Assessment of fair value of assets acquired in a business combination.

Each of these judgments and estimates is considered in more detail below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Review of non-current asset carrying values and impairment assessment In accordance with our accounting policy (note 2(m)), goodwill is tested for impairment annually and each asset or CGU is evaluated every reporting period to determine whether there are any indicators of impairment. If an impairment test is required, 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 judgments 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 LOM estimates.

The determination of FVLCTD and VIU requires management to make estimates and assumptions about expected production based on current estimates of recoverable metal, commodity prices, operating costs, taxes and export duties, inflation and foreign exchange, salvage value, future capital expenditures and discount rates. 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).

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.

Determination of capitalized 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 capitalized stripping asset is amortized.

Determination of useful lives of property, plant and equipment We use the units of production method to depreciate mineral properties, whereby depreciation is calculated using the quantity 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. Other assets are depreciated using the straight-line method, which includes significant management judgment to determine useful lives and residual values.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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, recovery rates, grade, assumed contained metal in stockpiles and production and selling costs requires significant assumptions that may impact the stated value of our inventory and lead to changes in NRV.

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.

Material and supplies inventory
In determining the value of material and supplies inventory, we make estimates of the amounts to be used and realizable value through disposals or sales. 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 LOM. 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 mineral properties 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, whether closure plans achieve intended reclamation goals, 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 cash-settled share-based compensation granted is computed to determine the relevant charge to the consolidated statement of income (loss). 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, forfeiture rates and our total shareholder return in comparison to our peer group.

Valuation of financial instruments We are required to determine the valuation of our metal concentrate accounts receivable and deferred consideration. The valuation of the accounts receivable requires estimates of settlement dates and relies on market-based forward metal prices at those settlement dates and the valuation of deferred consideration requires estimates of discount rates to be applied to future cash payments and equity valuations of retained interest in counterparties.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 make 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.

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 of the acquiree.

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. Inventory valuation requires an estimation of recoverable ounces, production profile, future metal prices and costs to complete the production process. 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 assets' valuations are based upon LOM plans, as well as estimates of future metal prices, costs, and economic assumptions relating to inflation rates and discount rates. Exploration and evaluation assets valuations are based upon estimates of Mineral Resources, future exploration potential, estimates of future metal prices, costs and economic assumptions relating to inflation rates and discount rates. The reclamation provision requires an estimate of the timing of future reclamation cash flows and economic assumptions around inflation and discount rates.

Determination of the timing of derecognition of exploration and evaluation assets Judgment is required in assessing certain criteria to determine when derecognition of an exploration and evaluation asset has occurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

v) Future accounting changes

The following new standard has been issued but is not yet effective:

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 covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. In September 2015, the IASB deferred the effective date of the standard to annual reporting periods beginning on or after January 1, 2018, with earlier application permitted. We will not be early adopting IFRS 15. We are currently assessing the impact on our consolidated financial statements. We have identified two potential areas of impact:

- Gold doré or bullion sales – we do not anticipate these sales to be significantly affected by IFRS 15
- Concentrate sales – we do not anticipate these sales or the associated provisional pricing adjustments to be significantly affected by IFRS 15

We will continue to assess and implement the new revenue recognition policy and any related impact on our internal controls throughout 2017.

Leases
The IASB has replaced IAS 17, *Leases* in its entirety with IFRS 16, *Leases* ("IFRS 16"), which requires lessees to recognize assets and liabilities for most leases. Application of the standard is mandatory for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. We are currently assessing the impact on our consolidated financial statements along with timing of our adoption of IFRS 16. We expect that IFRS 16 will result in an increase in assets and liabilities as fewer leases will be expensed as payments are made. We expect an increase in depreciation and accretion expenses and also an increase in cash flow from operating activities as these lease payments will be recorded as financing outflows in our cash flow statement.

There are no other IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on our consolidated financial statements.

3. PURCHASE OF CLAUDE RESOURCES

On May 31, 2016, we completed the acquisition of Claude Resources and its Seabee Gold Operation, an underground operating gold mine in Saskatchewan, Canada for a total purchase price of $329,402,000. The acquisition of Claude Resources is consistent with our strategic goal of adding operating mines in well-established, low risk mining jurisdictions. The purchase price for the acquisition of all of the issued and outstanding shares of Claude Resources consisted of 0.185 of a Silver Standard common share plus C$0.001 in cash for each common share of Claude Resources, and we also assumed all of the outstanding options of Claude Resources and the holders of those options received the right to acquire our common shares.

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.

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 are 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, associated with the transaction to acquire Claude Resources of $4,757,000 were expensed as incurred during 2016.

Upon the acquisition of Claude Resources, we identified goodwill of $49,786,000. This goodwill was calculated as the difference between the fair value of the consideration issued for the acquisition of Claude Resources and the fair value of all assets and liabilities acquired. The goodwill arose primarily as a result of the increase in our share price from the date of announcing the acquisition of Claude Resources (C$7.89 per share) to the completion of the acquisition (C$11.35 per share). Goodwill relates to tax synergies and deferred income tax liabilities on the transaction. We are required to record a deferred tax liability for the difference between the assigned values and the tax bases of assets acquired and liabilities assumed. None of the goodwill is deductible for tax purposes.

We performed the annual goodwill impairment test at December 31, 2016. For the purposes of the goodwill impairment test, the recoverable amount of the Seabee Gold Operation, which is considered to be the CGU, has been determined using a FVLCTD calculation, which exceeded VIU. The valuation was based on cash flow projections, which incorporate our estimates of forecast metal prices, foreign exchange rates, production based on current estimates of recoverable Mineral Reserves and Mineral Resources, future exploration potential, future operating costs and capital expenditures and the recoverable value of plant and equipment. Projected cash flows under the FVLCTD model are after-tax and discounted using an estimated weighted average cost of capital of a market participant adjusted for asset specific risks. Commodity prices are our estimates of the views of market participants, including a long-term gold price of $1,250 per ounce and the long-term foreign exchange rate we used was CAD/USD 0.8000. The post-tax real discount rates adjusted for asset specific risks used for the impairment assessments was 7.0%. The calculated recoverable amount of the CGU exceeded the carrying value at December 31, 2016, and therefore no impairment charge has been recorded.

3. PURCHASE OF CLAUDE RESOURCES (Cont'd)

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 the identifiable classes of consideration transferred, and amounts by category of assets acquired and liabilities assumed at the acquisition date:

	$
37,394,000 common shares issued [(1)]	325,202
809,286 stock options assumed [(2)]	4,045
Share exchange cash payment of C$0.001 per Claude Resources share	155
Consideration	**329,402**

Cash and cash equivalents	16,908
Trade and other receivables	814
Marketable securities	351
Inventory	34,801
Property, plant and equipment	
Plant and equipment	52,318
Mineral properties subject to depreciation	62,229
Mineral properties not yet subject to depreciation	128,100
Exploration and evaluation assets	88,734
Goodwill	49,786
Trade and other payables	(4,657)
Debt	(13,707)
Close-down and restoration provisions	(5,464)
Deferred income tax liabilities	(80,811)
Net identifiable assets acquired	**329,402**

(1) The common shares were valued at the closing price of our shares on the Toronto Stock Exchange on May 30, 2016 (C$11.35), converted to U.S. dollars at the rate of CAD/USD 0.7662.

(2) The fair value of options assumed were calculated using a Black-Scholes option pricing model. The weighted average option valuations were based on an expected option life of 1.6 years, a risk free interest rate of 0.6%, a dividend yield of nil, volatility of 60.6% and share price of C$11.35, converted to U.S. dollars at the rate of 0.7662. The options had exercise prices ranging from C$1.70 to C$12.86 and expiry dates ranging from September 1, 2016 to November 24, 2022.

If the Seabee Gold Operation had been consolidated into our operations from January 1, 2016, our consolidated revenue for 2016 would have been approximately $522,452,000 and our consolidated net income for 2016 would have been $64,644,000.

4. CASH AND CASH EQUIVALENTS

	December 31, 2016	December 31, 2015
	$	$
Cash balances	**181,421**	161,260
Short-term investments	**145,706**	50,602
	327,127	211,862

5. TRADE AND OTHER RECEIVABLES

	December 31, 2016	December 31, 2015
	$	$
Trade receivables	**35,590**	20,907
Value added tax receivables (note 12)	**13,462**	6,003
Prepayments and deposits	**6,101**	6,224
Income tax receivable	**2,638**	2,847
Other receivables	**646**	752
	58,437	36,733

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 24(b). We do not hold any collateral for any receivable amounts outstanding at December 31, 2016 or December 31, 2015.

6. MARKETABLE SECURITIES

The movement in marketable securities during the years ended December 31, 2016 and 2015 are comprised of the following:

	December 31, 2016	December 31, 2015
	$	$
Balance, beginning of period	**88,184**	104,785
Additions (note 8)	**7,329**	1,062
Additions from the acquisition of Claude Resources (note 3)	**351**	—
Disposals	**(5,327)**	(2,113)
Fair value adjustments	**59,948**	2,595
Foreign exchange adjustments	**(1,541)**	(18,145)
Balance, end of period	**148,944**	88,184

7. INVENTORY

	December 31, 2016	December 31, 2015
	$	$
Current:		
Finished goods	**11,627**	22,432
Stockpiled ore	**30,574**	17,150
Leach pad inventory	**86,696**	79,016
Materials and supplies	**26,018**	17,378
	154,915	135,976
Non-current materials and supplies	**1,811**	2,990
	156,726	138,966

The cost of inventory held at its NRV at December 31, 2016 was $7,246,000 (December 31, 2015 - $8,819,000). In 2016, we provided for $1,204,000 (2015 - $12,200,000) of supplies inventory, which we no longer expect to utilize at the Pirquitas mine. Following declines in silver prices, we wrote-down stockpiled ore to its NRV, recording a charge of $15,438,000 during 2015.

8. OTHER ASSETS

	December 31, 2016		December 31, 2015	
	Current	**Non-current**	Current	Non-current
	$	**$**	$	$
Financial assets:				
Restricted cash [(1)]	**—**	**3,061**	—	2,832
Deferred consideration [(2)(3)]	**2,720**	**8,335**	—	1,374
Non-financial assets:				
Non-current inventory (note 7)	**—**	**1,811**	—	2,990
	2,720	**13,207**	—	7,196

(1) We have cash and security deposits in relation to our close down and restoration provisions of $1,877,000 (December 31, 2015 - $1,881,000).

(2) On October 31, 2016, we sold our Parral properties in Chihuahua, Mexico, including the Veta Colorada, La Palmilla, and San Patricio properties, to Endeavour Silver Corp. ("Endeavour Silver") for consideration of:

- 1,198,083 shares of Endeavour Silver, valued at $5,272,000;
- The right to receive $200,000 worth of Endeavour Silver shares for each one million silver ounces included in an estimate of Measured and Indicated Mineral Resources in accordance with NI 43-101 to be prepared by Endeavour Silver in respect of the San Patricio and La Palmilla properties, initially valued at $1,091,000; and
- 1.0% net smelter returns royalty on all mineral products from the San Patricio and La Palmilla properties. We have assumed these royalties have no value as at December 31, 2016.

8. OTHER ASSETS (Cont'd)

(3) On November 1, 2016, we sold our Diablillos and M-18 properties in Argentina to Huayra Minerals Corporation ("Huayra") for consideration of:

- 19.9% equity stake in Huayra, with free carried interest until the completion of a financing of $5,000,000 or more, valued at $2,887,000;
- Cash payments of $1,100,000 over the first two years and $13,000,000 over the following three to five years, valued at $7,452,000 using a discount rate of 20%; and
- 1.0% net smelter returns royalty on production from each of the projects. We have assumed these royalties have no value as at December 31, 2016.

9. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2016				
	Plant and equipment (1)	**Mineral properties subject to depreciation (3)**	**Mineral properties not yet subject to depreciation (2)(3)**	**Exploration and evaluation assets**	**Total**
	$	**$**	**$**	**$**	**$**
Cost					
Balance, January 1, 2016	425,157	142,397	—	78,182	**645,736**
Acquisition of Claude Resources (note 3)	52,318	62,229	128,100	88,734	**331,381**
Additions	42,625	48,940	946	2,126	**94,637**
Disposals	(10,948)	—	—	(8,635)	**(19,583)**
Change in estimate of close down and restoration provision	—	(42)	—	—	**(42)**
Transfers (5)	(144)	52,753	(39,758)	(23,415)	**(10,564)**
Balance, end of period	509,008	306,277	89,288	136,992	**1,041,565**
Accumulated depreciation					
Balance, January 1, 2016	(233,023)	(64,001)	—	—	**(297,024)**
Charge for the year	(47,313)	(37,566)	—	—	**(84,879)**
Disposals	4,166	—	—	—	**4,166**
Balance, end of period	(276,170)	(101,567)	—	—	**(377,737)**
Net book value at December 31, 2016	**232,838**	**204,710**	**89,288**	**136,992**	**663,828**

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	December 31, 2015				
	Plant and equipment [1]	Mineral properties subject to depreciation	Mineral properties not yet subject to depreciation	Exploration and evaluation assets [2]	Total
	$	$	$	$	$
Cost					
Balance, January 1, 2015	459,403	118,277	—	64,241	641,921
Additions	30,869	20,034	—	13,086	63,989
Disposals and reclassifications	(7,247)	—	—	—	(7,247)
Change in estimate of close down and restoration provision (note 14)	(8,592)	4,086	—	—	(4,506)
Impairment charges (note 10)	(48,421)	—	—	—	(48,421)
Transfers	(855)	—	—	855	—
Balance, end of period	425,157	142,397	—	78,182	645,736
Accumulated depreciation					
Balance, January 1, 2015	(164,246)	(38,601)	—	—	(202,847)
Charge for the year	(70,774)	(25,400)	—	—	(96,174)
Disposals	1,997	—	—	—	1,997
Balance, end of period	(233,023)	(64,001)	—	—	(297,024)
Net book value at December 31, 2015	192,134	78,396	—	78,182	348,712

(1) Includes assets under construction of $6,113,000 at December 31, 2016 (December 31, 2015 - $3,812,000).

(2) On September 24, 2015, we completed the acquisition of the Valmy property, contiguous with our Marigold mine in Nevada, U.S. for $11,685,000 in cash from Newmont Mining Corporation. As at December 31, 2016, the carrying value of the property was reclassified to a mineral property not yet subject to depreciation.

(3) During 2016, we converted inferred Mineral Resources to Mineral Reserves at our Seabee Gold Operation and correspondingly have transferred $52,609,000 from mineral properties not yet subject to depreciation to being subject to depreciation.

(4) On January 16, 2017, we entered into an option agreement with Silver One Resources Inc. ("Silver One") in respect of our Candelaria project in the United States for consideration consisting of $1,000,000 worth of Silver One shares issued on January 20, 2017, and three annual installments of $1,000,000 worth of Silver One shares. Under the terms of this agreement, Silver One will have three years to evaluate the Candelaria project.

(5) In February 2017, we entered into an agreement to sell our 100% interest in the Berenguela project in Peru to Valor Resources Limited (“VRL”) for $12,000,000 in deferred cash payments over five years and a 9.9% equity interest in the buyer (including a free carry interest until VRL completes, in aggregate, a financing of $8,000,000) and a 1.0% net smelter royalty on all metal production from the project. Due to the advanced stage of the negotiations at December 31, 2016, the project was recognized as held for sale and reclassified from exploration and evaluation assets. Upon recognition as held for sale, an impairment test was performed and the estimated fair value of the consideration, discounting future cash payments at 15%, was less than the carrying value. Therefore, we have recognized an impairment of $2,466,000 in the consolidated statement of income for the year ended December 31, 2016.

10. IMPAIRMENT OF NON-CURRENT ASSETS

During the year ended December 31, 2015, silver prices and respective long term forecasts experienced a significant decline and the book value of our net assets exceeded our market capitalization. Both of these factors are generally considered to be indicators of potential impairment of the carrying value of our non-current assets. Within this period, there were periods where price declines were particularly significant, which resulted in us assessing the recoverable amount of the Pirquitas mine, which has been identified as a CGU; those dates were September 30, 2015 and December 31, 2015.

Impairment testing on the Pirquitas mine

In the impairment assessment at September 30, 2015, 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 recoverable amount in our December 31, 2015 impairment assessment was determined to be its VIU, which is based on the CGU's estimated pre-tax cash flows. The cash flows in each approach were determined based on LOM cash flow projections, which incorporate our estimates of forecast metal prices, production based on current estimates of recoverable Mineral Reserves, future operating costs and capital expenditures, export duty assumptions and the recoverable value of plant and equipment. Metal prices included in the cash flow projections were based on market consensus forecasts. Projected cash flows under the FVLCTD model include estimates of inflation and foreign exchange rates and are after-tax and discounted using an estimated weighted average cost of capital of a market participant adjusted for asset specific risks. Projected cash flows under the VIU are pre-tax and discounted at our pre-tax risk adjusted cost of capital.

Significant assumptions and impact

Pricing
For each of the impairment assessments, the real silver metal price assumptions were as follows:

	2015	2016	2017
Q4 2015	N/A	$14.57	$16.22
Q3 2015	$15.75	$15.59	$16.86

Inflation and foreign exchange on operating costs
Argentina's inflationary environment continued to be elevated with the Argentine peso experiencing significant devaluation. An assumption in the Pirquitas mine's current LOM after-tax cash flow projections for the FVLCTD model 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.

Export duties
Until December 31, 2015, export sales from the Pirquitas mine were subject to Argentine export duties. In our VIU model we make an assessment of our likelihood of paying the duty, and in the FVLCTD, we make an assessment as to whether a market participant would anticipate being required to pay some or all of this duty. We believe both materially changed with the change in government in December 2015.

10. IMPAIRMENT OF NON-CURRENT ASSETS (Cont'd)

Discount rate
The pre and post-tax discount rates adjusted for asset specific risks used for each of the impairment assessments were 10%.

At September 30 and December 31, 2015, the recoverable amounts of $110,777,000 and $69,409,000, respectively, were lower than the carrying value of the CGU and therefore we recorded impairment charges of $34,490,000 and $13,931,000, respectively, before and after tax. These charges were recognized against the carrying value of the Pirquitas mine and its plant and equipment in 2015.

Sensitivity
Average silver prices would have had to increase by approximately 12% for the remaining LOM to be break-even, in which case there would not be an impairment. The impact of paying 100% of the export duties would have been an increase to the impairment of $8,330,000. In addition, due to the short remaining mine life, the assessment of VIU or FVLCTD is not materially sensitive to a change in discount rate.

11. CURRENT AND DEFERRED INCOME TAX

Income tax expense differs from the amount that would be computed by applying the Canadian statutory rate of 26% (2015: 26%) to income (loss) before income taxes. The reasons for the differences are as follows:

Years ended December 31	**2016**	2015
	$	$
Income (loss) before taxes	**80,985**	(113,657)
Statutory tax rate	**26.00%**	26.00%
Expected income tax (recovery)	**21,056**	(29,551)
Increase (decrease) resulting from:		
Permanent differences	**(15,321)**	(8,524)
Foreign exchange	**(2,752)**	(12,985)
Differences in foreign and future tax rates	**2,249**	(6,025)
Mining & overseas withholding tax	**9,498**	3,615
Change in estimates in respect of prior years	**(5,970)**	(5,446)
Tax benefits not recognized in prior year reversed in current year	**(3,412)**	—
Movement in deferred tax not recognized	**7,601**	72,125
Other	**3,079**	(2,564)
Total income tax expense	**16,028**	10,645
Current tax expense	**17,886**	5,167
Deferred tax expense	**(1,858)**	5,478
Total income tax expense	**16,028**	10,645

Write-downs at the Pirquitas mine of $4,569,000 ($1,204,000 relating to write-down of supplies inventory and $3,709,000 relating to write-down of VAT receivables) during 2016 and $76,059,000 ($48,421,000 relating to impairment of property, plant and equipment, $15,438,000 relating to write-down of stockpile inventory, and $12,200,000 relating to a provision against supplies inventory) during 2015 have given rise to an increased deductible temporary difference with respect to Argentina assets of $1,508,000 and $25,099,000, respectively. However, any resulting deferred income tax asset was unrecognized, 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.

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 on the 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.

11. CURRENT AND DEFERRED INCOME TAX (Cont'd)

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, 2016 and 2015 are presented below:

					Balance as at December 31, 2016		
	Net balance at January 1, 2016	**Recognized in statement of income (loss)**	**Recognized in OCI**	**Business Combination (note 3)**	**Net**	**Deferred tax assets**	**Deferred tax liabilities**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Marketable securities	**(7,398)**	**—**	**(9,551)**	**—**	**(16,949)**	**—**	**(16,949)**
Inventory	**(4,882)**	**5,031**	**—**	**(2,133)**	**(1,984)**	**—**	**(1,984)**
Property, plant and equipment	**(25,499)**	**1,496**	**—**	**(72,611)**	**(96,614)**	**109**	**(96,723)**
Close down and restoration provision	**2,750**	**(308)**	**—**	**1,475**	**3,917**	**3,917**	**—**
Convertible notes	**(6,938)**	**1,441**	**—**	**—**	**(5,497)**	**—**	**(5,497)**
Carry forward tax loss and tax credits	**16,408**	**(8,247)**	**1,948**	**10,573**	**20,682**	**20,682**	**—**
Mining and foreign withholding tax	**(10,694)**	**(1,256)**	**—**	**(25,201)**	**(37,151)**	**—**	**(37,151)**
Other	**7,227**	**3,700**	**(208)**	**7,086**	**17,805**	**18,024**	**(219)**
Net deferred tax (liabilities) assets before set-off	**(29,026)**	**1,857**	**(7,811)**	**(80,811)**	**(115,791)**	**42,732**	**(158,523)**
Offset tax	**—**	**—**	**—**		**—**	**(41,636)**	**41,636**
Net deferred tax (liabilities) assets	**(29,026)**	**1,857**	**(7,811)**	**(80,811)**	**(115,791)**	**1,096**	**(116,887)**

				Balance as at December 31, 2015		
	Net balance at January 1, 2015	Recognized in statement of income (loss)	Recognized in OCI	Net	Deferred tax assets	Deferred tax liabilities
	$	$	$	$	$	$
Marketable securities	(11,053)	—	3,655	(7,398)	—	(7,398)
Inventory	(1,961)	(2,921)	—	(4,882)	—	(4,882)
Property, plant and equipment	(54,871)	29,372	—	(25,499)	—	(25,499)
Close down and restoration provision	3,887	(1,137)	—	2,750	2,750	—
Convertible notes	(8,246)	1,308	—	(6,938)	—	(6,938)
Carry forward tax loss and tax credits	38,686	(23,803)	1,525	16,408	16,408	—
Mining and foreign withholding tax	(9,727)	(967)	—	(10,694)	—	(10,694)
Other	14,235	(7,330)	322	7,227	7,275	(48)
Net deferred tax (liabilities) assets before set-off	(29,050)	(5,478)	5,502	(29,026)	26,433	(55,459)
Offset tax	—	—	—	—	(26,433)	26,433
Net deferred tax (liabilities) assets	(29,050)	(5,478)	5,502	(29,026)	—	(29,026)

As at December 31, 2016, there was a deferred tax liability of $26,598,000 (December 31, 2015 - $28,480,000) for temporary differences of $88,661,000 (December 31, 2015 - $94,934,000) 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).

11. CURRENT AND DEFERRED INCOME TAX (Cont'd)

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	**2016**	2015
	$	$
Inventory	**4,063**	36,758
Property, plant and equipment	**116,852**	80,874
Close down and restoration provision	**37,717**	37,743
Carry forward tax loss and tax credits	**420,007**	415,447
Other items	**63,778**	54,353
Unrecognized deductible temporary differences	**642,417**	625,175

At December 31, 2016, 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 2016 and 2036.

As at December 31, 2016	**$**
Argentina	**308,659**
Mexico	**57,426**
Peru	**1,372**
Canada	**4,741**
U.S.A.	**6,619**
Tax operating losses	**378,817**

Canada Revenue Agency Reassessment

On January 27, 2015, we received a Notice of Reassessment ("NOR") from the Canada Revenue Agency ("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. In order to appeal the NOR, we were 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. On February 26, 2015, we paid the required C$24,090,000 ($19,231,000) (the "Deposit") to the CRA and recorded this amount plus accrued interest as an income tax receivable. On April 20, 2015, we filed a Notice of Objection with the CRA and, on September 15, 2015, we filed a Notice of Appeal with the Tax Court of Canada to dispute the NOR.

In August 2016, we announced that we executed minutes of settlement (the "Settlement Agreement") with the Department of Justice ("DOJ") to resolve the NOR in our favor. Pursuant to the terms of the Settlement Agreement, the CRA has issued a new notice of reassessment for each of the 2010 and 2011 taxation years reversing the NOR, and refunded to us the Deposit, plus accrued interest from the date of payment of the Deposit. On September 7, 2016, the DOJ filed a notice of discontinuance of our appeal with the Tax Court of Canada.

12. VALUE ADDED TAX RECEIVABLE

	December 31, 2016	December 31, 2015
	$	$
Current (note 5)	**13,462**	6,003
Non-current	**6,531**	20,792
	19,993	26,795

VAT paid in Argentina in relation to the Pirquitas mine is recoverable under Argentina law during the production stage of a mine 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.

The VAT receivables balance in Argentina is denominated in Argentine pesos. Accordingly, foreign currency fluctuations could materially impact the value of the VAT receivables in U.S. dollars, as discussed further in note 24(a)(ii).

Certain VAT receivables in Argentina are only recoverable against local sales. As a result of cessation of San Miguel open pit mining at the Pirquitas mine in 2017, there is uncertainty about our ability to fully recover VAT receivables from local sales, and therefore, we have provided for $3,365,000 of VAT receivables at December 31, 2016. $2,497,000 was charged to cost of sales and $868,000 was charged to exploration and evaluation expenses. We believe that the remaining balance is fully recoverable and have not provided an allowance, as discussed further in note 24(b).

13. TRADE AND OTHER PAYABLES

Trade and other payables are comprised of the following items:

	December 31, 2016	December 31, 2015
	$	$
Trade payables	**17,083**	17,697
Accrued liabilities	**34,636**	25,866
Accrued royalties	**5,377**	5,393
Derivative liabilities	**—**	901
Income taxes payable	**1,247**	338
Accrued interest on convertible notes (note 15(a))	**3,157**	3,157
	61,500	53,352

Claude Resources royalty agreement

During 2007, Claude Resources entered into a royalty agreement (the "Agreement") whereby it sold a basic royalty and a net profit interest ("NPI") on gold production at the Seabee Gold Operation. Claude Resources received cash consideration consisting of royalty income, indemnity fee income and interest income.

13. TRADE AND OTHER PAYABLES (Cont'd)

(a) Basic royalty

Under the terms of the Agreement, Claude Resources is required to make royalty payments at fixed amounts per ounce of gold produced; these amounts vary over the term of the Agreement. A portion of the cash received at the inception of the Agreement was placed with a financial institution; in return, Claude Resources received a promissory note which is classified as restricted for accounting purposes. Claude Resources utilizes interest earned from the restricted promissory note and, if necessary, a portion of the principal to fund the basic royalty payments pursuant to the Agreement. Over the life of the Agreement, it is expected that interest earned and principal from the restricted promissory note will be sufficient to fund the expected basic royalty payments.

With respect to the Agreement, there is the legal right of offset and the intention to settle on a net basis. As such, these transactions are presented on a net basis on the consolidated statement of financial position as at December 31, 2016.

	Note	
Restricted promissory notes		
Principal balance	**(b)(d)**	$19,938
Interest receivable		$232
Interest rate		7 percent
Maturity	**(d)**	February 15, 2017
Royalty payments		
Royalty rate per ounce of gold produced [(1)]		C$65.20 to C$147.05
Royalty payable	**(b)(d)**	$1,144
Royalty obligation payable	**(b)(d)**	$19,027

(1) Over the remaining life of the Agreement.

(b) Claude Resources net royalty obligation

The following schedule outlines the different components of the transaction that are presented on a net basis on our consolidated statement of financial position:

	December 31, 2016
	$
Current assets	
Interest receivable on restricted promissory notes	**232**
Restricted promissory note	**19,938**
	20,170
Current liabilities	
Deferred revenue	**38**
Interest payable on royalty obligations	**1,144**
Royalty obligation	**19,027**
	20,209
Current net royalty obligation in accrued royalties	**39**

13. TRADE AND OTHER PAYABLES (Cont'd)

The interest income and the indemnity fees received are being amortized into income over the prepayment period and the life of the Agreement. The interest income and the indemnity fees are netted against interest expense and are reflected in "interest expense and other finance costs" on the consolidated statement of income.

(c) NPI payment

In addition to the basic royalty, Claude Resources granted an NPI of varying percentages under the Agreement, payable only if gold prices exceed a pre-determined threshold.

Applicable year [1]	2017
Percent	3.50%, 3.70% or 3.90%
Price of gold thresholds (CAD) [2]	$1,250, $1,500 or $1,675

[1] The NPI pursuant to the Agreement expires on December 31, 2017.
[2] London PM Fix.

Prior to any NPI payment, we are entitled to first recover the NPI expenditures (including capital expenditures), working capital, operating losses, interest charges and asset retirement obligations relating to the production of ore at the Seabee Gold Operation. These expenditures are calculated on a cumulative basis from the commencement of the Agreement. At December 31, 2016, the cumulative carry forward amounts remained in a deficiency position under the Agreement.

(d) Call and put

Under certain circumstances, we have the right to purchase ("call") the equity of the holder of the royalty or right to receive the royalty at an amount no greater than the fair market value thereof at the time of the call. The call price will be paid from the balance owing to us under the promissory note. Under certain circumstances, the purchaser of the royalty will have the right to sell ("put") their interest in the royalty to us at an amount no greater than the fair market value thereof at the time of the put. However, such right is subject to our pre-emptive right to exercise the call in advance of any put being exercised and completed.

Subsequent to December 31, 2016, we exercised our call right to purchase the equity of the holder of the royalty pursuant to the Agreement. The restricted promissory note pursuant to the Agreement was sufficient to satisfy the call price.

14. PROVISIONS

Provisions are comprised of the following items:

	December 31, 2016		December 31, 2015	
	Current	**Non-current**	Current	Non-current
	$	$	$	$
Export duties on silver concentrate [(1)]	**67,130**	—	65,633	—
Restructuring provision [(2)]	**7,329**	—	5,205	—
Close down and restoration provision [(3)]	**8,347**	**55,562**	7,388	51,532
	82,806	**55,562**	78,226	51,532

(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) ("Customs") levied an export duty of approximately 10% from concentrate for projects with fiscal stability agreements pre-dating 2002 and Customs 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 Customs 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 Tax Authority 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 Tax Authority 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 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.

On June 21, 2016 the Federal Court (Jujuy) ruled that the Injunction would remain in place subject to certain conditions, including the provision by August 5, 2016, of a guarantee by Silver Standard against liabilities arising from export duties and applicable interest as well as security from Mina Pirquitas, LLC on certain assets at the Pirquitas mine. We appealed the condition to provide the parent guarantee. On November 17, 2016 the Appeal Court in Salta ruled in favour of AFIP and lifted the Injunction. Our subsequent request for appeal of this ruling to the Supreme Court was approved by the Appeal Court in Salta on December 27, 2016 and the suspension of payment under the Injunction remains in effect. We are also continuing discussions with the Federal Tax Authority and other government officials for potential resolution of the claim. We cannot predict the outcome of the court proceedings and those discussions. If we do not reach a successful resolution of the matter, the Federal Tax Authority may make further application to the court to have the Injunction lifted and initiate proceedings to collect the accrued export duties and its claimed interest. The lifting of the Injunction does not impact our underlying challenge of the legality of the application of export duties or remedies available under the Fiscal Agreement.

14. PROVISIONS (Cont'd)

As of December 31, 2016, we have paid $6,646,000 in export duties, for which we have filed for recovery. In accordance with the Injunction, we did not pay export duties on silver concentrate but continued to accrue export duties until February 12, 2016, when the Federal Government of Argentina announced the removal of export duties on mineral concentrates. At December 31, 2016, we have accrued a liability totaling $67,130,000 (December 31, 2015 - $65,633,000) for export duties with no accrual for interest charges and have recorded a corresponding increase in cost of sales in the relevant period. The Federal Tax Authority has claimed that interest penalties at the prescribed rate applicable to general Argentine peso-based tax liabilities of 3% per month should be applied to the U.S. dollar export duty from the dates that each duty was accrued. The application of this rate results in a material interest claim of an amount approximately equivalent to the underlying duties that we have not accrued due to its uncertainty. In addition to our challenges on the underlying application of the export duties, we are also challenging the Federal Tax Authority's claim for interest and the rate upon which it claims interest.

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. We continue to assess the implications of recent developments on our financial reporting position related to the historical liability recorded. Changes in our assessment of this matter could result in material adjustments to our consolidated statements of income (loss).

(2) As at December 31, 2016, we have provided for various employee termination benefits as a result of anticipated employee reductions at Pirquitas mine in 2017 (note 18(c)).

(3) The changes in the close down and restoration provision during the years ended December 31, 2016 and December 31, 2015 were as follows**:**

	December 31, 2016	December 31, 2015
	$	$
Balance, January 1	**58,920**	62,190
Provision from acquisition of Claude Resources (note 3)	**5,464**	—
Provision removed from sale of exploration and evaluation asset (note 8)	**(257)**	—
Settled during the year	**(838)**	(2,414)
Accretion expense	**3,624**	3,733
Foreign exchange gain	**(163)**	(83)
Revisions and new estimated cash flows	**(2,841)**	(4,506)
Balance, December 31	**63,909**	58,920
Less: current portion	**(8,347)**	(7,388)
Non-current close down and restoration provision	**55,562**	51,532

14. PROVISIONS (Cont'd)

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.

The revision in the estimated cash flows during the year ended December 31, 2016 was due to the expected timing of expenditures at Pirquitas.

The revision in the estimated cash flows during the year ended December 31, 2015 was due to additional disturbance at the Marigold mine from waste dump expansion which increased the provision by $4,086,000 and the completion of a new mine closure plan at the Pirquitas mine which reduced the provision by $8,592,000. The reduction at the Pirquitas mine resulted from a complete redesign of water management structures, waste dump slope and coverage and utilizing the open pit as a storage point during extreme runoff events.

Material provisions are calculated as the present value of estimated future net cash outflows based on the following key assumptions:

- Discount interest rates: Marigold mine 2.6% (2015 - 2.4%), Pirquitas mine 9.9% (2015 - 9.9%), Seabee Gold Operation 2.3%.
- Settlement of obligations expected to occur over the next 20 years at the Marigold mine, 10 years at the Pirquitas mine and 15 years at the Seabee Gold Operation.

A 1% change in the discount rate would increase or decrease the provision on a consolidated basis by approximately $4,676,000.

15. DEBT AND CREDIT FACILITY

(a) Debt

We have $265,000,000 of senior convertible unsecured notes (the "Notes") outstanding. The 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 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 Notes may be entitled to an increased conversion rate. The Notes are convertible into our common shares at an initial conversion rate of 50 common shares per $1,000 principal amount of Notes converted, representing an initial conversion price of $20.00 per common share.

We may not redeem the 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 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 Notes in full or in part, for cash.

Holders of the Notes have the right to require us to repurchase all or part of their 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 Notes being converted, plus accrued and unpaid interest to the repurchase date.

At initial recognition, the net proceeds of the 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 debt portion has been 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 Notes during the years ended December 31, 2016 and 2015 are comprised of the following:

	December 31, 2016	December 31, 2015
	$	$
Balance, beginning of period	**211,242**	200,291
Accretion of discount	**11,969**	10,951
Interest accrued in period	**7,619**	7,619
Interest paid	**(7,619)**	(7,619)
Balance, end of period	**223,211**	211,242
Accrued interest outstanding (note 13)	**(3,157)**	(3,157)
Non-current portion of Notes outstanding	**220,054**	208,085

15. DEBT AND CREDIT FACILITY (Cont'd)

(b) Credit facility

On August 4, 2015, we entered into a $75,000,000 senior secured revolving credit facility (the "Credit Facility") with a syndicate of banks. The Credit Facility may be used for reclamation bonding, working capital and other general corporate purposes.

The term of the Credit Facility is three years, maturing on August 4, 2018. Amounts that are borrowed under the Credit Facility will incur variable interest at London Interbank Offered Rate plus an applicable margin ranging from 2.75% to 3.75% determined based on our net leverage ratio. The Credit Facility also provides for financial letters of credit at 66% of the applicable margin and undrawn fees are 25% of the applicable margin.

All debts, liabilities and obligations under the Credit Facility are guaranteed by our material subsidiaries and secured by certain of our assets, certain of our material subsidiaries, and pledges of the securities of our material subsidiaries. In connection with the Credit Facility, we must also maintain certain net tangible worth and ratios for interest coverage and net leverage. As at December 31, 2016 we were in compliance with these covenants.

As at December 31, 2016, we had utilized $7,600,000 (December 31, 2015 - $7,500,000) of the Credit Facility to support certain letters of credit.

(c) Other

Upon our acquisition of Claude Resources (note 3) on May 31, 2016, we immediately fully repaid amounts outstanding on its credit facility of $13,707,000. Claude Resources' credit facility was immediately terminated upon repayment. We also repaid a bank loan in Argentina with outstanding principal of $3,845,000.

16. 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 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.

The changes in stock options issued during the years ended December 31, 2016 and December 31, 2015 are as follows:

	2016		2015	
	Number of stock options	**Weighted average exercise price (C$/option)**	Number of stock options	Weighted average exercise price (C$/option)
Outstanding, January 1	**3,193,106**	**8.97**	2,377,065	12.68
Granted	**798,020**	**7.19**	1,519,656	6.70
Assumed in connection with the acquisition of Claude Resources (note 3)	**809,286**	**6.35**	—	—
Exercised	**(1,181,387)**	**(7.28)**	(72,050)	(7.37)
Forfeited	**(580,318)**	**(8.70)**	(631,565)	(17.64)
Outstanding, December 31	**3,038,707**	**8.52**	3,193,106	8.97

16. SHARE CAPITAL AND SHARE-BASED PAYMENTS (Cont'd)

During the year ended December 31, 2016, options granted to officers and employees had exercise prices ranging from C$7.17 to C$7.27 (December 31, 2015 - C$5.83 to C$8.38) and expiry dates ranging from January 1, 2023 to April 1, 2023.

As of December 31, 2016, incentive stock options constitute 2.5% (2015 - 4.0%) of issued and outstanding common share capital. The aggregate intrinsic value of vested share options (market value less exercise price) at December 31, 2016 was $3,870,000 (December 31, 2015 - $8,000).

The weighted average fair value of stock options granted during the year ended December 31, 2016 and year ended December 31, 2015 were estimated to be C$3.34 and C$3.16 per stock option, respectively, at the grant date using the Black-Scholes option pricing model, based on the following assumptions:

Years ended December 31	**2016**	2015
Forfeiture rate (%)	**3.0**	3.0
Dividend yield (%)	**0.0**	0.0
Average risk-free interest rate (%)	**0.63**	0.96
Expected life (years)	**4.2**	4.2
Volatility (%)	**59.5**	57.9

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 2016 was C$7.19 (2015 - C$6.81).

The weighted average share price at the date of the exercise of stock options in 2016 was C$15.53 (2015 - C$9.41).

The following table summarizes information about stock options outstanding and exercisable at December 31, 2016:

	Stock options outstanding		**Stock options exercisable**	
	Stock options outstanding	**Weighted average remaining contractual life (years)**	**Stock options exercisable**	**Weighted average exercise price (C$/option)**
Exercise prices (C$)				
1.78 - 6.30	**805,669**	**4.5**	**343,194**	**4.90**
6.31 - 7.26	**716,340**	**5.8**	**22,912**	**6.58**
7.27 - 8.52	**797,238**	**4.9**	**203,382**	**7.35**
8.53 - 28.78	**719,460**	**3.0**	**657,623**	**14.41**
	3,038,707	**4.6**	**1,227,111**	**10.44**

16. SHARE CAPITAL AND SHARE-BASED PAYMENTS (Cont'd)

(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. DSUs vest immediately and are redeemable in cash on the date the director ceases to be our director.

Years ended December 31	**2016**	2015
	Number of DSUs	Number of DSUs
Outstanding, January 1	**439,135**	335,680
Granted	**96,443**	136,388
Redeemed	**—**	(32,933)
Outstanding, December 31	**535,578**	439,135

DSUs granted in the year ended December 31, 2016 had a fair value of C$10.13 per unit (2015 - C$6.83). 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, 2016, the weighted average fair value was C$12.01 per unit (December 31, 2015 - C$7.16 per unit).

At December 31, 2016, an accrued liability of $4,791,000 (2015 - $2,272,000) was outstanding.

(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. The terms of the plan provide the directors the discretion to elect to settle the units in either cash or shares.

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 and evaluation costs.

Years ended December 31	**2016**	2015
	Number of RSUs	Number of RSUs
Outstanding, January 1	**640,077**	330,414
Granted	**409,279**	473,815
Settled	**(244,982)**	(124,548)
Forfeited	**(100,319)**	(39,604)
Outstanding, December 31	**704,055**	640,077

RSUs granted in the year ended December 31, 2016 had a weighted average fair value of C$7.27 per unit (2015 - C$6.18 per unit). RSUs settled in the year ended December 31, 2016 were settled at a fair value of C$8.09 per unit (2015 - C$6.67). As at December 31, 2016, the weighted average fair value was C$12.01 per unit (December 31, 2015 - C$7.16 per unit).

At December 31, 2016, an accrued liability of $3,561,000 (2015 - $1,647,000) on services received was outstanding.

16. SHARE CAPITAL AND SHARE-BASED PAYMENTS (Cont'd)

(e) Performance Share Units

PSUs are granted to senior executives, and vest after a performance period of three years. 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. The terms of the plan provide the directors the discretion to elect to settle PSUs in either cash or shares.

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	**2016**	2015
	Number of PSUs	Number of PSUs
Outstanding, January 1	**413,150**	323,000
Granted	**276,000**	390,850
Settled	**(125,950)**	(190,183)
Forfeited	**(38,650)**	(110,517)
Outstanding, December 31	**524,550**	413,150

PSUs granted in the year ended December 31, 2016 had a weighted average fair value of C$7.17 per unit (2015 - C$5.57 per unit). PSUs settled in the year ended December 31, 2016 were settled at a fair value of C$17.32 per unit (December 31, 2015 - C$7.18). As at December 31, 2016, the weighted average fair value was C$12.29 per unit (2015 - C$13.26 per unit).

At December 31, 2016, an accrued liability of $3,818,000 (2015 - $2,628,000) on services received was outstanding.

(f) Share-based compensation

Total share-based compensation, including all equity and cash-settled arrangements, for the years ended December 31, 2016 and 2015 has been recognized in the consolidated financial statements as follows:

Years ended December 31	**2016**	2015
	$	$
Equity-settled		
Cost of inventory	**97**	110
General and administrative expense	**1,999**	2,648
Exploration, evaluation and reclamation expenses	**37**	34
Cash-settled		
Cost of inventory	**2,109**	1,221
General and administrative expense	**5,948**	3,964
Exploration, evaluation and reclamation expenses	**100**	64
Total	**10,290**	8,041

17. OTHER RESERVES

	2016	2015
	$	$
Foreign currency translation reserve		
At January 1	**781**	781
At December 31	**781**	781
Revaluation reserves		
At January 1	**(74,992)**	(64,024)
Gain (loss) on marketable securities at FVTOCI, net of tax	**51,161**	(10,355)
Unrealized gain (loss) on effective portion of derivative, net of tax	**710**	(613)
At December 31	**(23,121)**	(74,992)
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	**47,604**	44,974
Options issued pursuant to the acquisition of Claude Resources (note 3)	**4,045**	—
Stock options exercised	**(4,258)**	(162)
Share-based compensation	**2,133**	2,792
At December 31	**49,524**	47,604
Total other reserves at December 31	**(1,014)**	**(54,805)**

18. OPERATING COSTS BY NATURE

a) Cost of sales

Years ended December 31	2016	2015
	$	$
Cost of inventory	**250,506**	234,334
Depletion, depreciation and amortization	**75,569**	79,368
Export duties (note 14)	**1,512**	10,488
Write-down of inventory (note 7) and VAT receivable (note 12)	**3,701**	27,638
Restructuring costs (note 18(c))	**5,692**	4,654
	336,980	356,482

b) General and administrative expenses

Years ended December 31	2016	2015
	$	$
Salaries and benefits	**8,885**	8,723
Share-based compensation	**7,947**	6,612
Consulting and professional fees	**1,380**	2,743
Travel expense	**552**	930
Rent expense	**682**	709
Insurance expense	**658**	668
Computer expenses	**697**	635
Depreciation and amortization	**262**	309
Shareholder and investor relations	**234**	299
Listing and filing fees	**140**	148
Directors fees and expenses	**163**	142
Other expenses	**491**	423
	22,091	22,341

c) Restructuring costs

During 2016, we recorded restructuring costs of $5,692,000 (2015 - $4,654,000) within income from mine operations as it relates to employee termination costs to be incurred at Pirquitas in conjunction with the cessation of San Miguel open pit mining in 2017. During 2015, additional amounts of $551,000 had also been recorded within exploration and evaluation expenses and general and administrative expenses as salaries and benefits following the downsizing of certain non-operating functions.

19. FINANCE INCOME AND EXPENSES

a) Interest earned and other finance income

Years ended December 31	2016	2015
	$	$
Interest earned	**1,670**	723
Accretion income on deferred consideration	**96**	557
Total interest earned and other finance income	**1,766**	1,280

b) Interest expense and other finance expenses

Years ended December 31	2016	2015
	$	$
Interest expense on convertible notes (note 15)	**(7,619)**	(7,619)
Accretion expense on convertible notes (note 15)	**(11,969)**	(10,951)
Accretion of close down and restoration provision (note 14)	**(3,624)**	(3,733)
Interest expense on bank loan	**(513)**	(1,459)
Other finance expenses	**(2,243)**	(2,203)
Total interest expense and other finance expenses	**(25,968)**	(25,965)

20. OTHER (EXPENSES) INCOME

Years ended December 31	2016	2015
	$	$
(Loss) on disposal of plant and equipment	**(4,018)**	(5,498)
Write-down of held for sale asset	**(2,466)**	—
Gain (loss) on revision of deferred consideration fair value	**609**	(581)
Royalty income	**604**	—
Other	**(539)**	(466)
	(5,810)	(6,545)

21. EARNINGS (LOSS) PER SHARE

The calculations of basic and diluted earnings (loss) per share for the years ended December 31, 2016 and 2015 are based on the following:

Years ended December 31	**2016**	2015
Income (loss) used in the calculation of diluted earnings (loss) per share	**$64,957**	($124,302)
Weighted average number of common shares issued (thousands)	**103,267**	80,770
Adjustments for dilutive instruments:		
Stock options (thousands)	**1,317**	—
Weighted average number of common shares for diluted loss per share (thousands)	**104,584**	80,770
Basic earnings (loss) per share	**$0.63**	($1.54)
Diluted earnings (loss) per share	**$0.62**	($1.54)

For the year ended December 31, 2015, basic and diluted loss per share are the same because the exercise of options and convertible notes are anti-dilutive.

22. OPERATING SEGMENTS

We are a resource company focused on the operation, acquisition, exploration and development of precious metal resource properties located 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 evaluation projects have been aggregated into a single reportable segment as they all have similar characteristics and do not exceed the quantitative thresholds for individual disclosure. We have assessed that all exploration and evaluation segments have similar characteristics as they are engaged in similar activities (mineral exploration) and none of the segments are income-producing. No significant judgment was required in making this assessment.

Our three operating properties, the Marigold mine, the Seabee Gold Operation and the Pirquitas mine, are considered as individual operating segments which derive their revenues from the sale of gold, silver and zinc. 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:

- Marigold mine;
- Seabee Gold Operation;
- Pirquitas mine; and
- Exploration and evaluation properties.

22. 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, 2016	**Marigold mine**	**Seabee Gold Operation**	**Pirquitas mine**	**Exploration and evaluation properties**	**Other reconciling items (i)**	**Total**
	$		**$**	**$**	**$**	**$**
Revenue	**256,817**	**64,826**	**169,343**	**—**	**—**	**490,986**
Cost of inventory	**(131,821)**	**(40,178)**	**(78,507)**	**—**	**—**	**(250,506)**
Depletion, depreciation and amortization	**(44,324)**	**(16,442)**	**(14,803)**	**—**	**—**	**(75,569)**
Export duties	**—**	**—**	**(1,512)**	**—**	**—**	**(1,512)**
Write-down of inventory and VAT	**—**	**—**	**(3,701)**	**—**	**—**	**(3,701)**
Restructuring costs	**—**	**—**	**(5,692)**	**—**	**—**	**(5,692)**
Cost of sales	**(176,145)**	**(56,620)**	**(104,215)**	**—**	**—**	**(336,980)**
Income from mine operations	**80,672**	**8,206**	**65,128**	**—**	**—**	**154,006**
Exploration, evaluation and reclamation (expenses) gain	**(1,339)**	**(1,040)**	**1,817**	**(13,649)**	**(342)**	**(14,553)**
Operating income (loss)	**79,384**	**6,763**	**65,768**	**(13,708)**	**(25,602)**	**112,605**
Income (loss) before income tax	**73,705**	**7,302**	**52,104**	**(19,295)**	**(32,830)**	**80,986**
Interest income and other finance income	**232**	**322**	**36**	**—**	**1,176**	**1,766**
Interest expense and other finance costs	**(1,391)**	**(30)**	**(3,627)**	**(97)**	**(20,823)**	**(25,968)**
Income tax (expense) recovery	**(15,709)**	**(52)**	**(4,940)**	**(88)**	**4,761**	**(16,028)**
Total assets	**394,963**	**420,796**	**94,876**	**84,184**	**443,869**	**1,438,688**
Non-current assets	**253,373**	**370,141**	**26,007**	**71,441**	**994**	**721,956**
Total liabilities	**(75,101)**	**(91,627)**	**(117,091)**	**(7,146)**	**(245,844)**	**(536,809)**

Year ended and at December 31, 2015	Marigold mine	Seabee Gold Operation	Pirquitas mine	Exploration and evaluation properties	Other reconciling items (i)	Total
	$		$	$	$	$
Revenue	237,296	—	138,026	—	—	375,322
Cost of inventory	(142,503)	—	(91,831)	—	—	(234,334)
Depletion, depreciation and amortization	(37,254)	—	(42,114)	—	—	(79,368)
Export duties	—	—	(10,488)	—	—	(10,488)
Write-down of stockpiles	—	—	(27,638)	—	—	(27,638)
Restructuring costs	—	—	(4,654)	—	—	(4,654)
Cost of sales	(179,757)	—	(176,725)	—	—	(356,482)
Income (loss) from mine operations	57,539	—	(38,699)	—	—	18,840
Exploration, evaluation and reclamation expenses	(2,442)	—	(4,472)	(11,976)	(251)	(19,141)
Impairment charge	—	—	(48,421)	—	—	(48,421)
Operating income (loss)	54,250	—	(92,096)	(12,275)	(20,942)	(71,063)
Income (loss) before income tax	48,590	—	(107,799)	(9,467)	(44,981)	(113,657)
Interest income and other finance income	72	—	55	—	1,153	1,280
Interest expense and other finance costs	(1,249)	—	(5,269)	(139)	(19,308)	(25,965)
Income tax (expense) recovery	(18,706)	—	(589)	3,488	5,162	(10,645)
Total assets	376,425	—	97,820	97,610	299,822	871,677
Non-current assets	239,958	—	38,244	92,100	20,435	390,737
Total liabilities	(67,644)	—	(122,274)	(8,678)	(225,898)	(424,494)

(1) Other reconciling items refer to items that are not reported as part of segment performance as they are managed on a corporate basis.

22. OPERATING SEGMENTS (Cont'd)

Revenue by product

Years ended December 31	**2016**	2015
	%	%
Gold	**65**	63
Silver	**35**	35
Zinc	**—**	2

Revenue by location and major customers

Marigold mine's principal product is gold doré with the refined gold bullion sold to two customers who individually accounted for 37% and 15% of total revenue during 2016. Marigold mine sold to two customers in 2015, one of them individually accounting for 54% of total revenue. Marigold mine accounted for 52% of total revenue during 2016 and 63% of total revenue during 2015.

Seabee Gold Operation's principal product is gold doré with the refined gold bullion sold to two customers. One customer individually accounted for 11% of total revenue during 2016. The Seabee Gold Operation accounted for 13% of total revenue during 2016.

Our Pirquitas mine sales are made to external customers located in various geographical areas. For the Pirquitas mine segment, we had one customer who individually accounted for 15% of total revenue during 2016, and one customer who individually accounted for 12% of total revenue during 2015.

Non-current assets by location

	December 31, 2016	December 31, 2015
	$	$
Canada	**372,389**	20,507
United States	**256,184**	243,016
Argentina	**26,008**	43,785
Mexico	**66,561**	71,891
Peru	**814**	11,538
Total	**721,956**	390,737

23. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Our financial instruments include cash and cash equivalents, trade and other receivables, marketable securities, other financial assets, trade and other payables and Notes.

a) Financial assets and liabilities by category

At December 31, 2016	**Amortized cost**	**FVTPL**	**FVTOCI**	**Total**
	$	**$**	**$**	**$**
Financial assets				
Cash and cash equivalents (note 4)	**—**	**327,127**	**—**	**327,127**
Trade and other receivables[(1)]	**646**	**35,590**	**—**	**36,236**
Marketable securities (note 6)	**—**	**—**	**148,944**	**148,944**
Other financial assets (note 8)	**8,243**	**5,873**	**—**	**14,116**
Total financial assets	**8,889**	**368,590**	**148,944**	**526,423**
Financial liabilities				
Trade and other payables	**48,083**	**12,170**	**—**	**60,253**
Provisions for export duty (note 14)	**67,130**	**—**	**—**	**67,130**
Debt (note 15(a))	**220,054**	**—**	**—**	**220,054**
Total financial liabilities	**335,267**	**12,170**	**—**	**347,437**

At December 31, 2015	Amortized cost	FVTPL	FVTOCI	Total
	$	$	$	$
Financial assets				
Cash and cash equivalents (note 4)	—	211,862	—	211,862
Trade and other receivables[(1)]	752	20,907	—	21,659
Marketable securities (note 6)	—	—	88,184	88,184
Other financial assets (note 8)	—	4,206	—	4,206
Total financial assets	752	236,975	88,184	325,911
Financial liabilities				
Trade and other payables	45,566	7,448	—	53,014
Provisions for export duty (note 14)	65,633	—	—	65,633
Current debt (note 15(c))	4,273	—	—	4,273
Non-current debt (note 15(a))	208,085	—	—	208,085
Total financial liabilities	323,557	7,448	—	331,005

(1) Certain trade receivables are classified as FVTPL due to the derivative identified through provisional pricing arrangements discussed in note 2(f).

23. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Cont'd)

b) Fair value of financial instruments

	December 31, 2016		December 31, 2015	
	Carrying value	**Fair value**	Carrying value	Fair value
	$	**$**	$	$
Financial assets				
Trade and other receivables	**36,236**	**36,236**	21,659	21,659
Marketable securities (note 6)	**148,944**	**148,944**	88,184	88,184
Other financial assets (note 8)	**14,116**	**14,116**	4,206	4,206
Total financial assets	**199,296**	**199,296**	114,049	114,049
Financial liabilities				
Provisions for export duty (note 14)	**67,130**	**67,130**	65,633	65,633
Current debt	**—**	**—**	4,273	4,273
Derivative liabilities	**—**	**—**	901	901
Debt (note 15(a)) [(1)]	**220,054**	**245,515**	208,085	178,544
Total financial liabilities	**287,184**	**312,645**	278,892	249,351

(1) The fair value of the 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.

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, 2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Recurring measurements				
Trade and other receivables	**—**	**35,590**	**—**	**35,590**
Marketable securities (note 6)	**146,887**	**—**	**2,057**	**148,944**
Other financial assets	**—**	**—**	**5,873**	**5,873**
Accrued liabilities	**—**	**12,170**	**—**	**12,170**
	146,887	**47,760**	**7,930**	**202,577**
Fair values disclosed				
Convertible notes (note 15(a))	**245,515**	**—**	**—**	**245,515**
	245,515	**—**	**—**	**245,515**

23. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS (Cont'd)

	Fair value at December 31, 2015			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Recurring measurements				
Trade and other receivables	—	20,907	—	20,907
Marketable securities (note 6)	88,184	—	—	88,184
Other financial assets	—	—	1,374	1,374
Accrued liabilities	—	6,547	—	6,547
Derivative liabilities	—	901	—	901
Current debt	4,273	—	—	4,273
	92,457	28,355	1,374	122,186
Fair values disclosed				
Convertible notes (note 15(a))	178,544	—	—	178,544
	178,544	—	—	178,544

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities

Marketable securities of publicly quoted companies, consisting of FVTOCI investments are valued using a market approach based upon unadjusted quoted prices in an active market obtained from securities exchanges. The Argentine peso-denominated loan facility in existence at December 31, 2015 was valued using the official foreign exchange rate on the loan balance at the end of the period. The fair value disclosed for our 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)

Trade receivables from provisional invoices are included in Level 2 as the basis of valuation uses quoted commodity forward prices. Accrued liabilities relating to DSUs, RSUs, and PSUs and derivative liabilities 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 significant and not based on observable market data (unobservable inputs)

Certain items of deferred consideration from the sale of exploration and evaluation assets (note 8) 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(r)(v). Marketable securities of a private company are included in Level 3 as it has no observable market data.

There were no transfers into or out of Level 3 during 2016 or 2015.

24. 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. Our use of derivatives has been limited to specific programs to manage fluctuations in foreign exchange, diesel prices 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 and silver and also prices of input commodities such as diesel. 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 commodities;
- speculative activities;
- the availability and costs of substitutes;
- inflation; and
- political and economic conditions, including interest rates and currency values.

The principal financial instruments that we hold which are impacted by commodity prices are our silver concentrate trade receivables. The majority of our 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 or decrease in the silver prices as at December 31, 2016, with all other variables held constant, would have resulted in a $2,918,000 (December 31, 2015 - $1,477,000) increase or decrease to our trade receivables and after-tax net income (loss).

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

24. FINANCIAL RISK MANAGEMENT (Cont'd)

The costs relating to our production activities vary depending on market prices on mining consumables including diesel fuel and electricity.

During 2016, under our risk management policy we have used swaps and options to manage a portion of our cost of diesel. Our instruments are based on the ultra low sulphur Gulf Coast diesel index for diesel consumed at the Marigold mine. As at December 31, 2016, the spot price of diesel was $1.67/gallon and we have hedged the following future anticipated usage at the Marigold mine:

	2017
Gallons hedged (in thousands)	**4,068**
Estimated usage	**40%**
Floor price ($/gallon)	**1.33**
Cap price ($/gallon)	**1.74**

A 10% increase or decrease in diesel fuel market prices would have resulted in a $730,000 decrease or increase in our after-tax net income for the year ended December 31, 2016. As at December 31, 2016, we had a mark-to-market gain of $688,000 on outstanding diesel fuel hedges recognized in other comprehensive income. As and when it is determined to be favourable, we may execute additional diesel fuel hedges under our risk management policy.

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 OCI. A 10% change in prices would have a $12,958,000 impact on total comprehensive income at December 31, 2016 (December 31, 2015 - $7,672,000). We have not hedged any securities in 2016 or 2015.

(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, 2016	
	Canadian dollar	Argentine peso
Cash	**15,325**	**11,858**
Marketable securities	**142,670**	**—**
Value added tax receivable	**398**	**17,826**
Other financial assets	**—**	**1,184**
Trade and other payables (excluding VAT and income taxes)	**(17,084)**	**(16,474)**
Current provisions	**—**	**(7,329)**
Total	**141,309**	**7,065**

24. FINANCIAL RISK MANAGEMENT (Cont'd)

	December 31, 2015	
	Canadian dollar	Argentine peso
Cash	1,254	290
Marketable securities	87,741	—
CRA income tax receivable	18,243	—
Value added tax receivable	109	24,349
Other financial assets	—	925
Trade and other payables (excluding VAT and income taxes)	(8,395)	(18,189)
Current debt	—	(4,273)
Current provisions	—	(4,654)
Total	98,952	(1,552)

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.

In December 2015, the new government of Argentina formally relaxed many of the capital controls that had existed under the previous regime. The new currency regime allowed the Argentine peso to freely fluctuate with market forces and, over the course of 2016, the Argentine peso devalued by approximately 22% compared to 53% in 2015, which had a material negative impact primarily on our VAT receivables asset, but has benefited our liabilities.

The Canadian dollar was relatively stable through most of 2016, ending the year having appreciated by 3% and closing at 1.34 Canadian dollars per U.S. dollar. This has benefited the value of marketable securities and our Canadian dollar cash, while having a marginally negative impact on our Canadian operating costs and liabilities in U.S. dollar terms.

Over the course of 2015, the Canadian dollar weakened by 19%, which largely correlated to the price of oil and resulted in material negative impacts on our marketable securities and CRA receivable balance, but benefited our Canadian dollar operating expenses and liabilities. The impact on marketable securities is recognized in OCI, but all other impacts are recorded in our consolidated statement of income (loss).

The closing of the acquisition of the Seabee Gold Operation in 2016 has materially increased our exposure to Canadian dollar operating and capital costs. Under our risk management policy we have entered into options to manage this exposure. As at December 31, 2016, we had the following hedge positions outstanding:

	2017
Notional amount (in thousands of Canadian dollars)	**3,000**
Floor level (Canadian dollars per $1 U.S.)	**1.29**
Cap level (Canadian dollars per $1 U.S.)	**1.42**

24. FINANCIAL RISK MANAGEMENT (Cont'd)

A 10% increase or decrease in the U.S. dollar exchange rate, as at December 31, 2016 and December 31, 2015, 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, 2016 and December 31, 2015, respectively:

Years ended December 31	**2016**	2015
	$	$
Canadian dollar	**10,495**	7,342
Argentine peso	**476**	208

(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 because these are the only financial instruments we hold that are impacted by interest based on variable market interest rates. The Notes have a fixed interest rate and are not exposed to fluctuations in interest rates. A change in interest rates would impact the fair value of the Notes, but because we record the 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, 2016, the weighted average interest rate earned on our cash and cash equivalents was 0.60% (December 31, 2015 - 0.40%). With other variables unchanged, a 1% change in the annualized interest rate would impact after-tax net income by $1,538,000 (2015 - $1,278,000).

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.

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 Our credit risk with respect to other financial assets has increased in 2016 following the sales of the Parral properties and the Diablillos project, for which we are entitled to deferred consideration totaling $9,072,000, which is due over five years. We have security related to these payments in the event of default.

We also have credit risk through our significant VAT 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.

24. FINANCIAL RISK MANAGEMENT (Cont'd)

Our maximum exposure to credit risk as at December 31, 2016 and December 31, 2015 was as follows:

	December 31, 2016	December 31, 2015
	$	$
Cash and cash equivalents	**327,127**	211,862
Value added tax receivable	**19,993**	26,795
Trade receivables and other assets	**36,236**	21,659
Other financial assets	**14,116**	4,206
	397,472	264,522

At December 31, 2016, no amounts were held as collateral except those discussed above 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 24(d). Our objective is to ensure that there are sufficient committed financial resources to meet our business requirements for a minimum of twelve months.

To supplement corporate liquidity we have a Credit Facility (note 15(b)) of which we utilized $7,600,000 (December 31, 2015 - $7,500,000) to secure certain letters of credit.

In addition, we use surety bonds to support certain environmental bonding obligations. As at December 31, 2016, we had surety bonds totaling $51,199,000 outstanding (December 31, 2015 - $46,000,000).

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, 2016)					At December 31, 2015
Contractual obligations	**Less than one year**	**1 - 3 years**	**4-5 years**	**After 5 years**	**Total**	Total
	$	**$**	**$**	**$**	**$**	$
Trade and other payables	**60,253**	**—**	**—**	**—**	**60,253**	52,113
Current provisions	**67,130**	**—**	**—**	**—**	**67,130**	65,633
Notes [(i)]	**—**	**265,000**	**—**	**—**	**265,000**	265,000
Interest on convertible notes [(i)]	**7,619**	**19,047**	**—**	**—**	**26,666**	34,284
Operating expenditure commitments	**6,722**	**10,442**	**—**	**—**	**17,164**	20,648
Capital expenditure commitments	**1,493**	**—**	**—**	**—**	**1,493**	—
Minimum lease rental and lease payments	**494**	**959**	**54**	**—**	**1,507**	1,563
Total contractual obligations	**143,711**	**295,448**	**54**	**—**	**439,213**	439,241

(i) The 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 (note 15).

In our opinion, working capital at December 31, 2016 together with future cash flows from operations are sufficient to support our commitments through 2017.

24. FINANCIAL RISK MANAGEMENT (Cont'd)

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; and
- 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 our 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.

As of December 31, 2016, we were in compliance with our externally-imposed financial covenants in relation to the Credit Facility (note 15(b)). Our Notes (note 15) do not contain any financial covenants.

25. RELATED PARTY TRANSACTIONS

a) Key management compensation

Key management includes our directors (executive and non-executive) and other key officers, including the Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. The compensation paid or payable to key management for employee services is shown below:

Years ended December 31	**2016**	2015
	$	$
Salaries and other short-term employee benefits	**2,433**	3,033
Post-employment benefits	**29**	29
Share-based compensation [(i)]	**4,915**	4,069
Total compensation	**7,377**	**7,131**

[(i)] Share-based compensation includes mark-to-market adjustments on cumulative DSU and PSU positions as reported in the consolidated statements of income (loss).

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, 2016 of which are presented in the following table:

Subsidiary	**Location**	**Ownership**	**Principal project or purpose**
Marigold Mining Company	USA (Nevada)	100%	Marigold
Claude Resources Inc.	Canada	100%	Seabee Gold Operation
Mina Pirquitas, LLC	USA (Delaware)	100%	Pirquitas
Silver Standard Durango, S.A. de C.V.	Mexico	100%	Pitarrilla
Reliant Ventures S.A.C.	Peru	100%	San Luis
Intertrade Metals Limited Partnership	Canada	100%	Sales and marketing

26. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in working capital items during the years ended December 31, 2016 and 2015 are as follows:

Years ended December 31	**2016**	2015
	$	$
Trade and other receivables	**(14,255)**	8,973
Inventory	**16,291**	(19,706)
Trade and other payables	**5,680**	6,432
Provisions	**1,470**	12,307
	9,186	8,006

During the years ended December 31, 2016 and 2015, we conducted the following non-cash investing and financing transactions:

Years ended December 31	**2016**	2015
	$	$
Common shares issued pursuant to the acquisition of Claude Resources (note 3)	**(325,202)**	—
Options issued pursuant to the acquisition of Claude Resources (note 3)	**(4,045)**	—
Marketable securities received for sale of exploration and evaluation assets (note 6)	**7,329**	—
Deferred consideration received for sale of exploration and evaluation asset	**829**	—
Marketable securities provided as consideration for exploration and evaluation expenses	**(761)**	(360)
Transfer of share-based payment reserve upon exercise of stock options	**(4,258)**	(162)
Shares received in exchange of marketable securities	**—**	1,062
Shares disposed in exchange of marketable securities	**—**	(1,315)

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, 2016									
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 2016[9]**	**Legal Actions Instituted During 2016[10]**	**Legal Actions Resolved During 2016[11]**
Marigold Mine (MSHA ID# 2602081)	4	0	0	0	0	$13,624	0	4	4	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, 2016.

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 2016 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 2016 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 2016 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, 2016, 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, Paul Benson, 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 officer 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 officer 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 22, 2017

/s/ Paul Benson

Paul Benson
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 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 officer 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 officer 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 22, 2017

/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 on Form 40-F of Silver Standard Resources Inc. (the "Company") for the year ended December 31, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Paul Benson, 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/ Paul Benson*

Paul Benson
President and Chief Executive Officer

Dated: March 22, 2017

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 on Form 40-F of Silver Standard Resources Inc. (the "Company") for the year ended December 31, 2016, 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 22, 2017

Consent of Independent Auditor

We hereby consent to the inclusion in the Annual Report on Form 40-F of Silver Standard Resources Inc. ("Silver Standard") for the year ended December 31, 2016, filed with the United States Securities and Exchange Commission, of our report dated February 23, 2017, relating to the consolidated financial statements, comprising the consolidated statements of financial position as at December 31, 2016 and December 31, 2015 and the consolidated statements of Income (loss), comprehensive Income (loss), changes in shareholders' equity and cash flows for the years ended December 31, 2016 and December 31, 2015; 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 (No. 333-185498, 333-196116 and 333-198092) of Silver Standard of our report dated February 23, 2017 referred to above.

signed "PricewaterhouseCoopers LLP"

Chartered Professional Accountants
Vancouver, BC

March 22, 2017

PricewaterhouseCoopers LLP
PricewaterhouseCoopers Place, 250 Howe Street, Suite 1400, Vancouver, British Columbia, Canada V6C 3S7
T: +1 604 806 7000, F: +1 604 806 7806, www.pwc.com/ca

"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, 2016, 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 22nd day of March, 2017.

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, 2016, 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 22nd day of March, 2017.

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, 2016, 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 22nd day of March, 2017.

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, 2016, 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 22nd day of March, 2017.

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, 2016, 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 22nd day of March, 2017.

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, 2016, 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 22nd day of March, 2017.

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, Cameron Chapman, 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, 2016, 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 22nd day of March, 2017.

Yours very sincerely,

/s/ Cameron Chapman
Cameron Chapman, P.Eng.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Kevin Fitzpatrick, 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, 2016, 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 22nd day of March, 2017.

Yours very sincerely,

/s/ Kevin Fitzpatrick
Kevin Fitzpatrick, P.Eng.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Jeffrey Kulas, 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, 2016, 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 22nd day of March, 2017.

Yours very sincerely,

/s/ Jeffrey Kulas
Jeffrey Kulas, P. Geo.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Brian Skanderbeg, P.Geo., and report, Mineral Resource and Mineral Reserve Estimate Seabee Gold Operation Saskatchewan, Canada dated December 23, 2013 (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, 2016, 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 22nd day of March, 2017.

Yours very sincerely,

/s/ Brian Skanderbeg
Brian Skanderbeg, P.Geo.

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, 2016, 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 22nd day of March, 2017.

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, 2016, 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 22nd day of March, 2017.

Yours very sincerely,

/s/ R. Bruce Kennedy
R. Bruce Kennedy, P.E.

CONSENT OF EXPERT

I hereby consent to the use of and reference to my name, Sebastien Bernier, 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, 2016, 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 22nd day of March, 2017.

Yours very sincerely,

/s/ Sebastien Bernier
Sebastien Bernier, P.Geo.
Principal Consultant (Resource Geology)
SRK Consulting (Canada) Inc.