

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

FORM 20-F

(Mark One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2008

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ **to** _____

☐ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring shell company report

Commission file number 0-26424

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

(Translation of Registrant's name into English)

British Columbia, Canada
(Jurisdiction of incorporation or organization)

Suite 1180 – 999 West Hastings Street, Vancouver, British Columbia V6C 2W2
(Address of principal executive offices)

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

Title of each class
Common Stock without par value

Name of each exchange on which registered
Nasdaq Global Market

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

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None
(Title of Class)

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. 62,755,547

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

☒ Yes ☐ No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

☐ Yes ☒ No

Note – Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

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 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 ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer and large accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ☐

International Financial Reporting Standards as issued by
the International Accounting Standards Board ☐

Other ☒

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the Registrant has elected to follow.

☐ Item 17 ☒ Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

☐ Yes ☒ No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the Registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

☐ Yes ☐ No

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NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the United States *Private Securities Litigation Reform Act* of 1995 and Canadian securities laws concerning the anticipated developments in our operations in future periods, our planned exploration and development activities, the adequacy of our financial resources and other events or conditions that may occur in the future. 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.

Statements concerning mineral reserve and resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using 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 and similar expressions) are not statements of historical fact and may be “forward-looking statements”. 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 by the forward-looking statements, including, without limitation:

- uncertainty of production at our mineral exploration properties;
- risks and uncertainties associated with new mining operations;
- risks related to our ability to obtain adequate financing for our planned development activities and to complete further exploration programs;
- recent market events and conditions;
- risks related to general economic conditions;
- our history of losses and expectation of future losses;
- risks related to our covenants given with respect to our 4.5% convertible senior notes due 2028;
- the valuation of our asset-backed commercial paper may not reflect actual amounts recovered in the future;
- differences in U.S. and Canadian practices for reporting mineral resources and reserves;
- risks and uncertainties relating to the interpretation of drill results and the geology, grade and continuity of our mineral deposits;
- unpredictable risks and hazards related to the development and operation of a mine or mine property that are beyond our control;
- commodity price fluctuations;

- risks related to governmental regulations, including environmental regulations;
- risks related to delay or failure to obtain required permits, or non-compliance;
- increased costs and restrictions on operations due to compliance with environmental laws and regulations;
- risks related to reclamation activities on our properties;
- uncertainties related to title to our mineral properties;
- risks related to political instability and unexpected regulatory change;
- our ability to successfully acquire additional commercially mineable mineral rights;
- currency fluctuations;
- increased costs affecting the mining industry;
- increased competition in the mining industry for properties, qualified personnel and management;
- risks related to some of our directors' and officers' involvement with other natural resource companies;
- our ability to maintain adequate internal control over financial reporting; and
- our classification as a "passive foreign investment company" under the U.S. Internal Revenue Code.

This list is not exhaustive of the factors that may affect any of our forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and our actual achievements or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including, without limitation, those referred to in the accompanying prospectus under the heading "Risk Factors" and elsewhere in this Annual Report under the heading "Risk Factors" and elsewhere in this Annual Report. Our forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and we do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

In this Annual Report, "we", "us", "our", "Silver Standard" and "the Company" refer to Silver Standard Resources Inc., a company incorporated under the *Business Corporations Act* (British Columbia), and its subsidiaries.

GLOSSARY OF GEOLOGICAL TERMS DEFINITIONS AND ABBREVIATIONS

alteration - usually referring to chemical reactions in a rock mass resulting from the passage of hydrothermal fluids.

breccia - rock consisting of more or less angular fragments in a matrix of finer-grained material or cementing material.

claim - that portion of public mineral lands, which a party has staked or marked out in accordance with provincial or state mining laws, to acquire the right to explore for the minerals under the surface.

conglomerate - rock composed of mostly rounded fragments which are of gravel size or larger in a finer grained matrix.

crystalline - means the specimen is made up of one or more groups of crystals.

cut-off grade - the minimum grade of mineralization that delimits mineralization that has a reasonable prospect of economic extraction from mineralization that does not have a reasonable prospect of economic extraction.

deposit - a natural occurrence of a useful mineral of sufficient extent and degree to invite exploitation.

dilution - results from the mixing in of unwanted gangue or waste rock with the ore during mining.

dolomite - a magnesium bearing limestone usually containing at least 15% magnesium carbonate.

dyke - a tabular body of igneous rock that cuts across the structure of adjacent rocks or cuts massive rocks.

fault - a fracture in a rock where there has been displacement of the two sides.

feasibility study - means a detailed study of a deposit in which all geological, engineering, operating, economic and other relevant factors are engineered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production.

g/t - grams per tonne.

gangue - term used to describe worthless minerals or rock waste mixed in with the valuable minerals.

geophysics - the study of the physical properties of rocks, minerals, and mineral deposits.

grade - the concentration of each ore metal in a rock sample, usually given as weight percent. Where extremely low concentrations are involved, the concentration may be given in grams per tonne (g/t) or ounces per ton (oz/ton). The grade of an ore deposit is calculated, often using sophisticated statistical procedures, as an average of the grades of a very large number of samples collected from throughout the deposit.

hectare - a square of 100 meters on each side.

host rock - the rock within which the ore deposit occurs.

igneous - means a rock formed by the cooling of molten silicate material.

Indicated Mineral Resource - is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

induced polarization method - the method used to measure various electrical responses to the passage of alternating currents of different frequencies through near-surface rocks or to the passage of pulses of electricity.

Inferred Mineral Resource - is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

intrusion - general term for a body of igneous rock formed below the surface.

limestone - sedimentary rock that is composed mostly of carbonates, the two most common of which are calcium and magnesium carbonates.

massive - a geologic body more than 100 millimeters in thickness.

Measured Mineral Resource - is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

Mineral Reserve - is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This Study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

Mineral Resource - is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable

prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

mineralization - usually implies minerals of value occurring in rocks.

net profits interest royalty - a royalty based on the profit, allowing for costs directly related to production. The expenses that the operator deducts from revenue are defined in the royalty agreement. Payments generally begin after payback of capital costs. The royalty holder is not responsible for contributing to capital expenses, covering operating losses or environmental liabilities.

net smelter return – means the amount actually paid to the mine or mill owner from the sale of ore, minerals and other materials or concentrates mined and removed from mineral properties.

net smelter return royalty – a royalty paid from cash flow that is free of any operating or capital costs and environmental liabilities.

outcrop - means an exposure of rock at the earth's surface.

porphyry – a rock with conspicuous large grains in a fine grained ground mass.

oz/ton - ounces per ton.

plunge - the vertical angle between a horizontal plane and the line of maximum elongation of a body.

Preliminary Feasibility Study - is a comprehensive study of the viability of a mineral project that has advanced to a stage where the mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, has been established and an effective method of mineral processing has been determined, and includes a financial analysis based on reasonable assumptions of technical, engineering, legal, operating, economic, social, and environmental factors and the evaluation of other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be classified as a Mineral Reserve. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

Probable Mineral Reserve - is the economically mineable part of an Indicated and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

Proven Mineral Reserve - is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified. This definition is from the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves adopted on December 11, 2005.

Qualified Person – means an individual who is an engineer or geoscientist with at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these; has experience relevant to the subject matter of the mineral project and the technical report; and is a member or licensee in good standing of a professional association.

reclamation bond – a financial instrument or cash usually required when mechanized work is contemplated on a mineral claim. The bond may be used to reclaim any workings or put right any damage, if the reclamation of the mineral claim does not satisfy the requirements of the regulations.

sedimentary - a rock formed from cemented or compacted sediments.

sediments - are composed of the debris resulting from the weathering and breakup of other rocks that have been deposited by or carried to the oceans by rivers, or left over from glacial erosion or sometimes from wind action.

sericite - a fine-grained variety of mica occurring in small scales, especially in schists.

shear zone - where a fault affects a width of rock rather than being a single clean break, the width of affected rock is referred to as the shear zone. The term implies movement, i.e. shearing.

silicate - most rocks are made up of a small number of silicate minerals ranging from quartz (SiO_2) to more complex minerals such as orthoclase feldspar (KAlSi_3O_8) or hornblende ($\text{Ca}_2\text{Na}(\text{Mg,Fe})_4(\text{Al,Fe,Ti})\text{Si}_8\text{O}_{22}(\text{OH})_2$).

sill - tabular intrusion which is sandwiched between layers in the host rock.

stockwork – a mineral deposit consisting of a three-dimensional network of closely spaced planar or irregular veinlets.

sulphide - a mineral compound characterized by the linkage of sulphur with a metal.

tailings - material rejected from a mill after recoverable valuable minerals have been extracted.

tailings pond - a pond in which tailings are disposed.

tuff - a finer grained pyroclastic rock made up mostly of ash and other fine grained volcanic material.

veins - the mineral deposits that are found filling openings in rocks created by faults or replacing rocks on either side of faults.

waste - rock which is not ore. Usually referred to that rock which has to be removed during the normal course of mining in order to get at the ore.

All disclosure about our exploration properties in this Annual Report conforms to the standards of United States Securities and Exchange Commission (the “SEC”) Industry Guide 7, *Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations*, other than disclosure of “Mineral Resources”, “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources”, which are Canadian geological and mining terms as defined in accordance with Canadian National Instrument 43-101 under the guidelines set out in the CIM Standards.

In this Annual Report references to “**Canadian National Instrument 43-101**” are references to National Instrument 43-101, Standards of Disclosure for Mineral Projects, of the Canadian Securities

Administrators and references to “**CIM Standards**” are references to Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council on December 11, 2005 as may be amended from time to time by the CIM.

Cautionary Note to U.S. Investors concerning estimates of Measured Mineral Resources and Indicated Mineral Resources.

This Annual Report uses the terms “Measured Mineral Resource” and “Indicated Mineral Resource.” We advise U.S. investors that while such terms are recognized and permitted under Canadian regulations, the SEC does not recognize them. **U.S. investors are cautioned not to assume that any part or all of the Mineral Resources in these categories will ever be converted into Mineral Reserves.**

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

This Annual Report uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and permitted under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not generally form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

PART I

Item 1 Identity of Directors, Senior Management and Advisers

A. Directors and Senior Management

This Form 20-F is being filed as an annual report under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and, as such, there is no requirement to provide any information under this item.

B. Advisers

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

C. Auditors

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

Item 2 Offer Statistics and Expected Timetable

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

Item 3 Key Information

A. Selected Financial Data

The following table summarizes certain of our selected financial data. This information should be read in conjunction with the more detailed financial statements included in this Annual Report.

Table No. 1
Selected Financial Data
(expressed in thousands of Canadian dollars, except per share and number of shares data)

	Year ended Dec 31, 2008 Restated	Year ended Dec 31, 2007 Restated ⁽⁴⁾	Year ended Dec 31, 2006	Year ended Dec 31, 2005	Year ended Dec 31, 2004
1. Revenues	Nil	Nil	Nil	Nil	Nil
2. Earnings (Loss) for year ⁽¹⁾ – basic & diluted	(\$10,489)	(\$35,223)	\$16,382	(\$5,870)	(\$1,518)
3. Earnings (Loss) per common share ⁽¹⁾	(\$0.17)	(\$0.57)	\$0.28	(\$0.11)	(\$0.03)
4. Total assets	\$695,458	\$498,844	\$471,013	\$219,288	\$217,457
5. Net Assets	\$476,493	\$454,443	\$436,570	\$193,190	\$193,026

	Year ended Dec 31, 2008 Restated	Year ended Dec 31, 2007 Restated⁽⁴⁾	Year ended Dec 31, 2006	Year ended Dec 31, 2005	Year ended Dec 31, 2004
6. Long term obligations and redeemable preferred stock ⁽²⁾⁽³⁾	\$127,415	Nil	Nil	Nil	Nil
7. Share capital	\$463,125	\$459,888	\$442,265	\$219,971	\$217,502
8. Cash dividends per common share	Nil	Nil	Nil	Nil	Nil
9. Number of shares	62,755,547	62,569,447	61,646,120	51,849,241	51,576,802

(1) All of our operations are continuing.

(2) No preferred stock has been issued.

(3) Excludes asset retirement obligations.

(4) Certain comparative figures have been restated reflecting the adoption of EIC 172 "Income Statement Presentation of a Tax Loss Carry Forward Recognized Following an Unrealized Gain Recorded in Other Comprehensive Income".

The selected financial data is presented in Table No. 1 above and in the financial statements in accordance with generally accepted accounting principles ("GAAP") prevailing in Canada as of the dates shown.

The selected financial data under U.S. GAAP for the above periods is indicated below in Table No. 2:

Table No. 2
Selected Financial Data
(expressed in thousands of Canadian dollars, except per share and number of shares data)

	Year ended Dec 31, 2008	Year ended Dec 31, 2007	Year ended Dec 31, 2006	Year ended Dec 31, 2005	Year ended Dec 31, 2004
1. Revenues	Nil	Nil	Nil	Nil	Nil
2. Loss for year ⁽¹⁾	\$43,143	\$72,545	\$11,045	\$26,581	\$61,680
3. Loss per common share ⁽¹⁾ – basic & diluted	\$0.69	\$1.17	\$0.19	\$0.51	\$1.28
4. Total assets	\$415,985	\$258,058	\$296,955	\$57,865	\$69,718
5. Net Assets	\$188,337	\$238,910	\$289,257	\$53,606	\$66,844
6. Long term obligations and redeemable preferred stock ⁽²⁾⁽³⁾	\$163,449	Nil	Nil	Nil	Nil
7. Share capital	\$461,927	\$458,690	\$441,067	\$218,773	\$216,875
8. Cash dividends per common share	Nil	Nil	Nil	Nil	Nil
9. Number of shares	62,755,547	62,569,447	61,646,120	51,849,241	51,576,802

(1) All of our operations are continuing.

(2) No preferred stock has been issued.

(3) Excludes asset retirement obligations.

Reference is made to note 18 to the consolidated financial statements for a description of material differences between Canadian and U.S. GAAP.

U.S./Canadian Dollar Exchange Rates

In this Annual Report, unless otherwise specified, all dollar amounts are expressed in Canadian dollars (Cdn\$). The Government of Canada permits a floating exchange rate to determine the value of the Canadian dollar against the U.S. dollar (US\$). In this Annual Report all references to “\$” and “Cdn\$” refer to Canadian Dollars, all references to “US\$” refer to United States Dollars and all references to “A\$” refer to Australian Dollars.

Table No. 3 below sets out the rate of exchange for the Canadian dollar at December 31, 2008, December 31, 2007, December 31, 2006, December 31, 2005 and December 31, 2004, the average rates for each period, and the range of high and low rates for each period. Table No. 4 sets out the high and low rates of exchange for the Canadian dollar for each month during the previous six months.

For purposes of these tables, the rate of exchange means the Bank of Canada’s nominal noon exchange rate. The tables set out the number of Canadian dollars required under that formula to buy one U.S. dollar. The average rate in Table No. 3 means the average of the exchange rates on the last day of each month during the period.

Table No. 3
U.S. Dollar/Canadian Dollar Exchange Rates for Five Most Recent Financial Years

	Average	High	Low	Close
Fiscal Year Ended December 31, 2008	1.07	1.30	0.97	1.22
Fiscal Year Ended December 31, 2007	1.07	1.19	0.92	0.99
Fiscal Year Ended December 31, 2006	1.13	1.17	1.10	1.17
Fiscal Year Ended December 31, 2005	1.21	1.27	1.15	1.17
Fiscal Year Ended December 31, 2004	1.30	1.40	1.18	1.20

Table No. 4
U.S. Dollar/Canadian Dollar Exchange Rates for Previous Six Months

	September	October	November	December	January	February
High	1.08	1.29	1.29	1.30	1.27	1.29
Low	1.03	1.06	1.15	1.20	1.18	1.22

On March 27, 2009, the exchange rate of Canadian dollars into United States dollars, based on the nominal noon rate for U.S. dollars reported by the Bank of Canada, was US\$1.00 equals Cdn\$1.2392.

B. Capitalization and Indebtedness

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

C. Reasons for the Offer and Use of Proceeds

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

D. Risk Factors

Pirquitas Project is our only mineral property under development and we may not be able to successfully establish mining operations.

The Pirquitas Project is our only mineral property currently under development. The development of the Pirquitas Project and 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 timing and cost, which can be considerable, of the construction of mining and processing facilities;
- the availability and cost of skilled labor and mining equipment;
- the availability and cost of appropriate smelting and refining arrangements;
- the need to obtain necessary environmental and other governmental approvals and permits and the timing of the receipt of those approvals and permits;
- the availability of funds to finance construction and development activities;
- potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent development activities; and
- potential increases in construction and operating costs due to changes in the cost of fuel, power, materials and supplies.

The costs, timing and complexities of mine construction and development for the Pirquitas Project and 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, may not be served by appropriate road access, water and power supply, and other support infrastructure, and 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 commencement of mineral production often occur. Accordingly, we cannot provide assurance that our activities will result in profitable mining operations at the Pirquitas Project or any of our other mineral properties.

We have no revenue from operations and no ongoing mining operations of any kind.

We are a development stage company and have no revenue from operations and no ongoing mining operations of any kind. Other than the Pirquitas Project, all of our properties are in the exploration stage, and we have not defined or delineated any proven or probable reserves on any of our exploration stage properties. Mineral exploration involves significant risk because few properties that are explored contain bodies of ore that would be commercially economic to develop into producing mines. If our current

exploration programs do not result in the discovery of commercial ore, we may need to write-off part or all of our investment in our existing exploration stage properties and we will be required to acquire additional properties.

The determination of whether any mineral deposits on our properties are economically viable is affected by numerous factors beyond our control. These factors include:

- the metallurgy of the mineralization forming the mineral deposit;
- market fluctuations for metal prices;
- the proximity and capacity of natural resource markets and processing equipment; and
- government regulations governing prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection.

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

We have limited financial resources. We had cash and cash equivalents of \$88.2 million and marketable securities of \$13.4 million as of December 31, 2008. Since such date, we have expended funds on, among other things, the advancement of the Pirquitas Project at a rate reflecting its advanced development stage and consistent with the announced estimated capital costs of US\$230 million to complete construction of the project. We do not generate operating revenue, and must finance our exploration activity and the development of our mineral properties by other means. In the future, our ability to continue our exploration and development activities, if any, will depend on our ability to develop the Pirquitas Project and generate operating revenue or obtain additional external financing. Any unexpected costs, problems or delays in the start-up of the Pirquitas Project, or any delay in the commencement of mineral production from the Pirquitas Project, could severely impact our ability to continue our exploration and development activities.

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

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

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

- global or regional consumption patterns;
- the supply of, and demand for, these metals;
- speculative activities;

- the availability and costs of metal substitutes;
- expectations for inflation; and
- political and economic conditions, including interest rates and currency values.

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

Recent market events and conditions may adversely affect our business and industry.

In 2007 and into 2008, the U.S. credit markets began to experience serious disruption due to a deterioration in residential property values, defaults and delinquencies in the residential mortgage market (particularly, sub-prime and non-prime mortgages) and a decline in the credit quality of mortgage-backed securities. These problems led to a slow-down in residential housing market transactions, declining housing prices, delinquencies in non-mortgage consumer credit and a general decline in consumer confidence. These conditions continued and worsened in 2008 and early 2009, causing a loss of confidence in the U.S. and global credit and financial markets and resulting in the collapse of, and government intervention in, major banks and other financial institutions and insurers, and creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by the U.S. and other governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. In addition, general economic indicators, including employment levels, announced corporate earnings, economic growth and consumer confidence, have deteriorated. Any or all of these market events and conditions may adversely affect our business and industry.

General economic conditions may adversely affect our growth and profitability.

The recent unprecedented events in global financial markets have had a profound impact on the global economy, which is now acknowledged to be in recession. Many industries, including the silver and gold mining industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations, high volatility in global equity, commodity, foreign exchange and precious metal markets, and a lack of market liquidity. A continued or worsened slowdown in the financial markets or other economic conditions, including but not limited to, 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;
- the volatility of silver and gold prices would impact our revenues, profits, losses and cash flow;
- continued recessionary pressures could adversely impact demand for our production;

- 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.

We have a history of losses and may continue to incur losses for the foreseeable future.

We have a history of losses, including losses of \$10.5 million and \$35.2 million for the years ended December 31, 2008 and 2007.

We expect to continue to incur losses unless and until such time as the Pirquitas Project enters into commercial production and then generates sufficient revenues to fund continuing operations. The development of the Pirquitas Project and any other mineral property will require the 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 consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, and our acquisition of additional property interests, some of which are beyond our control. We cannot provide assurance that we will ever achieve profitability.

An event of default under our convertible senior notes due 2028 may significantly reduce our liquidity and adversely affect our business.

Under the indenture governing the Convertible Notes, we made various covenants to the trustees on behalf of the holders of the 4.5% convertible senior notes due 2028 (the "Convertible 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 Convertible Notes.

If there is an event of default under the Convertible 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, we could lose our properties, including the Pirquitas Project, and our shareholders could lose their entire investment.

Our valuation of our investment in asset backed commercial paper ("ABCP") may not reflect actual amounts recovered in the future.

We have valued our investment in ABCP using information that is publicly available at this time. Continuing uncertainties regarding the value of the assets that underlie these investments, the amount and timing of cash flows and the outcome of the restructuring process could give rise to a further change in their fair value. There can be no assurance that our investment will be recoverable in whole, in part or at all.

We follow Canadian disclosure practices concerning our mineral reserves and resources which allow for more disclosure than is permitted for U.S. reporting companies.

Our resource estimates are not directly comparable to those made in filings subject to the SEC reporting and disclosure requirements, as we report resources in accordance with Canadian practices. These

practices are different from the practices used to report resource estimates in reports and other materials filed with the SEC in that the Canadian practice is to report measured, indicated and inferred 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 resources will ever be converted into reserves. Further, “inferred 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 “resources” as in place tonnage and grade without reference to unit measures. Accordingly, information concerning descriptions of mineralization and resources contained in this Annual Report, or in any document incorporated by reference herein, may not be comparable to information made public by U.S. companies subject to the reporting and disclosure requirements of the SEC.

Our reserve and resource estimates are based on interpretation and assumptions and may yield less mineral production under actual conditions than is currently estimated.

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 provide assurance that:

- reserve, resource or other mineralization estimates will be accurate; or
- mineralization can be mined or processed profitably.

Any material changes in mineral reserve estimates and grades of mineralization will affect the economic viability of placing a property into production and a property’s return on capital. Our reserve and resource estimates have been determined and valued based on assumed future prices, cut-off grades and operating costs that may prove to be inaccurate. Extended declines in market prices for silver, gold, tin, zinc, lead and copper 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, could have a material adverse effect on our results of operations or financial condition. We cannot provide assurance that mineral recovery rates achieved in small scale tests will be duplicated in large scale tests under on-site conditions or in production scale.

Mining is inherently risky and subject to conditions or 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. These risks include:

- unusual or unexpected geological formations;
- metallurgical and other processing problems;
- metal losses;

- environmental hazards;
- power outages;
- 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. Insurance against certain environmental risks, including potential liability for pollution and other hazards as a result of the disposal of waste products occurring from production, is not generally available to companies within the mining industry. We may suffer a material adverse effect on our business if we incur losses related to any significant events that are not covered by our insurance policies.

We are subject to significant governmental regulations.

Our exploration activities are, and the development of the Pirquitas Project is, subject to extensive federal, state, provincial, territorial and local laws and regulations governing various matters, including:

- environmental protection;
- the management and use of toxic substances and explosives;
- the management of natural resources;
- the exploration of mineral properties;
- exports;
- price controls;
- taxation and mining royalties;
- labor standards and occupational health and safety, including mine safety; 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. It is also possible that future laws and regulations, or more stringent enforcement of current laws and regulations by governmental authorities, could cause additional expense, capital expenditures, restrictions on or suspensions of our activities and delays in the exploration and development of our properties.

We require further permits in order to conduct our current and anticipated future operations, and delays or a 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 further exploration, development activities and commencement of production on our mineral properties, require permits from various governmental authorities. Obtaining or renewing governmental permits is a complex and time-consuming process. The duration and success of efforts to obtain and renew permits are contingent upon many variables not within our control.

We cannot provide assurance 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.

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

All of our exploration and potential development and production activities in Argentina, Australia, Canada, Chile, Mexico, Peru and the United States are subject to regulation by governmental agencies under various environmental laws. To the extent that we conduct exploration activities or undertake new mining activities in other countries, we will also be subject to environmental laws and regulations in those jurisdictions. These laws address 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. 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. Compliance with environmental laws and regulations may require significant capital outlays on our behalf and may cause material changes or delays in our intended activities. 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 requirements for our exploration properties may be burdensome.

Although variable depending on location and the governing authority, land reclamation requirements are generally imposed on mineral exploration companies (as well as companies with mining operations) in order to minimize long term effects of land disturbance. Reclamation may include requirements to:

- control dispersion of potentially deleterious effluents; and
- reasonably re-establish pre-disturbance land forms and vegetation.

In order to carry out reclamation obligations imposed on us in connection with our exploration and potential development activities, we must allocate financial resources that might otherwise be spent on further exploration and development programs. Certain of our projects have been subject to historic mining operations and certain of the properties that were historically mined by us are subject to remediation obligations. We have set up a provision for our reclamation bonds but this provision may not be adequate. If we are required to carry out unanticipated reclamation work, our financial position could be adversely affected.

Our properties may be subject to uncertain title.

We cannot provide assurance that title to our 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. We also may not have, or may not be able to 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. This could result in our not being compensated for our prior expenditures relating to the property.

The sale of our concentrates will be subject to counterparty and market risks.

We intend to enter into long-term supply arrangements to sell some of the silver, tin and zinc concentrates to be produced at the Pirquitas Project to metal traders or integrated mining and smelting companies. We intend to sell the balance of these concentrates in the spot market. There is no assurance that 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 concentrates, 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 concentrates. In addition, should any counterparty to any supply arrangement we may enter into not honour 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 concentrates than intended in the spot market or we may not have a market for our concentrates and our future operating results may be materially adversely impacted as a result. Moreover, there can be no assurance that we will be able to renew any agreements we may enter into to sell concentrates when such agreements expire, or that our concentrates will meet the qualitative requirements under future concentrate agreements or the requirements of buyers.

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

Certain of our properties are located in countries, provinces and states more likely to be subject to political and economic instability, or unexpected legislative change, than is usually the case in certain other countries, provinces and states. Our mineral exploration or potential development activities could be adversely affected by:

- political instability and violence;
- war and civil disturbance;
- labor unrest;

- expropriation or nationalization;
- changing fiscal regimes and uncertain regulatory environments;
- fluctuations in currency exchange rates;
- high rates of inflation;
- changes to royalty and tax regimes, including the elimination of tax exemptions for mining companies by the Argentinean government;
- underdeveloped industrial and economic infrastructure; and
- the unenforceability of contractual rights and judgments.

We cannot provide assurance 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 no assurance can be given that any anticipated level of recovery of ore reserves will be realized or that any identified mineral deposit will ever qualify as a commercially mineable (or viable) ore body which can be legally and economically exploited. Estimates of reserves, 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 ore 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 ore 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, there can be no assurance that we will successfully acquire additional commercially mineable (or viable) mineral rights.

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

We maintain our bank accounts primarily in Canadian and U.S. dollars. We expect that our future revenue, if any, will be in U.S. dollars, while certain of our costs will be incurred in other currencies. In particular, any appreciation in the currencies of Argentina, Australia, Chile, Mexico or other countries where we carry out exploration or development activities against the Canadian or U.S. dollar will increase our costs of carrying on operations in such countries. With the development of the Pirquitas Project, our costs denominated in the currency of Argentina have increased over past levels and we have greater

exposure to Argentinean currency fluctuations. In addition, any decrease in the U.S. dollar against the Canadian dollar will result in a loss on our books to the extent we hold funds in U.S. dollars. As a result, our financial performance and forecasts can be significantly impacted by changes in foreign exchange rates.

High metal prices in recent years have encouraged increased mining exploration, development and construction activity, which has increased demand for, and cost of, exploration, development and construction services and equipment.

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

We face industry competition in the acquisition of exploration properties and the recruitment and retention of qualified personnel.

We compete with other exploration and producing companies, many of which have greater financial resources than us or are further advanced in their development, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel. In particular, we face competition for qualified personnel and equipment for the Pirquitas Project, which may increase our estimated costs of developing the project or result in delays. We expect that a significant number of expatriate employees will be required in the early stages of production at the Pirquitas Project to train the local workforce. If we require and are unsuccessful in acquiring additional mineral properties or qualified personnel, we will not be able to grow at the rate we desire, or at all.

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

Some of our directors and officers are directors or officers of other natural resource or mining-related companies such as, our Vice President, Exploration, Kenneth McNaughton, who served as a director of Minco Silver Corporation (with which we have a strategic alliance to jointly pursue silver opportunities in China) until March 6, 2009. 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 experience difficulty attracting and retaining qualified management to grow our business.

We are dependent on the services of key executives, including Robert Quartermain, the Company's President and Chief Executive Officer, and other highly skilled and experienced executives and personnel focused on advancing our corporate objectives as well as the identification of new opportunities for growth and funding. Due to our relatively small size, the loss of any of these persons or our inability to attract and retain additional highly skilled employees required for the development of the Pirquitas Project and our other activities may have a material adverse effect on our business and financial condition.

We may fail to maintain adequate internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act.

We documented and tested during our two most recent fiscal years our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act (“SOX”). SOX requires an annual assessment by management of the effectiveness of our internal control over financial reporting and, for fiscal years commencing with our fiscal year ended December 31, 2006, 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 ensure that we can conclude, on an ongoing basis, that we have effective internal control over financial reporting in accordance with Section 404 of SOX. Our failure to satisfy the requirements of Section 404 of SOX 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 improve 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 Section 404 of SOX.

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 in subsequent offerings (including through the sale of 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 the 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 the 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 been, and may continue to be, subject to large fluctuations, 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, 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; 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 “Note Regarding Forward-Looking Statements”.

The market price of our common shares is affected by many other variables, which are not directly related to our success and are, therefore, not within our control, including other developments that affect the market for all resource sector securities, 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.

We do not intend to pay any cash dividends in the foreseeable future.

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.

Enforcement of judgments or bringing actions outside the United States against us and our directors and officers may be difficult.

We are organized under the laws of, and headquartered in, British Columbia, Canada, and a majority of our directors and officers are not citizens or residents of the United States. In addition, a substantial part of our assets are located outside the United States and Canada. As a result, it may be difficult or impossible for an investor to (i) enforce in courts outside the United States judgments against us and our directors and officers obtained in U.S. courts based upon the civil liability provisions of U.S. federal securities laws or (ii) bring in courts outside the United States an original action against us and our directors and officers to enforce liabilities based upon such U.S. securities laws.

Under U.S. federal tax rules, we may be classified as a passive foreign investment company (a “PFIC”), which would result in special and generally unfavorable U.S. federal tax consequences to our U.S. shareholders.

As a non-U.S. corporation, we may be a PFIC depending on the percentage of our gross income which is “passive”, within the meaning of the U.S. Internal Revenue Code, or the percentage of our assets that produce or are held to produce passive income. We were a PFIC in both the 2007 and 2008 taxable years. We may be a PFIC in 2009 and in some or all subsequent taxable years. If we are a PFIC for any taxable year during a U.S. shareholder’s holding period in our common shares, such U.S. shareholder may be subject to increased U.S. federal income tax liability on the sale of common shares or on the receipt of dividends. The PFIC rules are complex and may be unfamiliar to U.S. shareholders. Accordingly, U.S. shareholders are urged to consult their own tax advisors concerning the application of the PFIC rules to their investment in our Common Shares.

Item 4 Information on the Company

A. History and Development of the Company

General Background

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 stock on a 1-for-5 basis on August 9, 1984. All references to the number of shares or per share data in this Annual Report refer to consolidated shares/data, unless otherwise indicated. We changed our name to “Silver Standard Resources Inc.” on April 9, 1990. On May 12, 2005, our shareholders adopted new articles as required by the new British Columbia *Business Corporations Act* and authorized an increase in our authorized capital from 100,000,000 common shares without par value to an unlimited number of common shares without par value.

Our head office and registered and records office is located at: Suite 1180 - 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2. The contact person is Robert A. Quartermain, President and CEO. The telephone number is (604) 689-3846; the facsimile number is (604) 689-3847.

In July 2008, we completed the sale of all of our interest in the Shafter Silver Project to Aurcana Corporation (“Aurcana”). See Item 4.B - “Business Overview – Other Properties – Shafter Silver Project”.

In February 2009, Geologix Explorations Inc. (“Geologix”) elected not to exercise their option to acquire a 100% interest in the San Agustin Project. See Item 4.B - “Business Overview – Secondary Projects – San Agustin Project”.

The information contained in this Annual Report is current as at December 31, 2008, other than where a different date is specified.

B. Business Overview

All disclosure about our exploration properties in this Annual Report conforms to the standards of the SEC’s Industry Guide 7, *Description of Property by Issuers Engaged or to be Engaged in Significant Mining Operations*, other than disclosure of “Mineral Resources”, “Measured Mineral Resources”, “Indicated Mineral Resources” and “Inferred Mineral Resources”, which are geological and mining terms as defined in accordance with Canadian National Instrument 43-101 under the guidelines set out in the CIM Standards. U.S. investors in particular are advised to read carefully the definitions of these terms as well as the explanatory and cautionary notes in the Glossary, and the cautionary notes below, regarding use of these terms.

We are developing the Pirquitas Project in Argentina and are engaged in the exploration of silver properties in Argentina, Australia, Canada, Chile, Mexico, Peru and the United States and the acquisition of silver properties, if warranted, throughout the world. We are a development stage company; however, none of our properties, other than the Pirquitas Project, are currently beyond the advanced exploration stage. A commercially viable mineral deposit may not exist on any of our exploration stage properties and further exploration work may be required before a final evaluation as to the economic and legal feasibility of any property is determined. See Item 3.D – “Risk Factors”.

We have five principal mineral property projects: (1) the Pirquitas Project in the Province of Jujuy, Argentina, (2) a 55% interest (which may be increased to 80% by funding certain expenditures) in the San Luis Project in the Ancash Department, Peru, (3) the Pitarrilla Project in Durango State, Mexico, (4) the Snowfield Project in British Columbia, Canada and (5) the Diablillos Project in Salta Province, Argentina. We have 11 secondary mineral property projects: the Berenguela Project in Peru, the San Agustin Property in Durango State, Mexico, the Challacollo Project in Chile, the Candelaria Mine Project in west central Nevada, U.S.A., a 55% interest in the Maverick Springs Project in northern Nevada, U.S.A., the Bowdens Project in Australia, the Silvertip Project in northern British Columbia, Canada, the Sulphurets Project in British Columbia, Canada, the Sunrise Lake Deposit in the Northwest Territories, Canada and the Veta Colorada Project in Mexico. Included in our secondary mineral property projects is the San Marcial Project in Mexico, which is currently optioned to an arm's length third party (see Item 4.B - "Business Overview - Secondary Projects"). In categorizing our projects, we consider, among other things, the priority of the project for the ensuing year, proposed expenditures in respect of the project for the ensuing year and the stage of exploration of the project.

In addition, we have a number of other property holdings in Argentina, Australia, Canada, Chile, Mexico and the United States, which are not considered principal or secondary projects. During 2008, we sold all of our interest in the Shafter Silver Project in Texas, U.S.A.

Principal Projects

Pirquitas Project

Under an agreement dated June 21, 2002, we acquired from Stonehill Institutional Partners, L.P., Stonehill Offshore Partners Limited and Stonehill Capital Management, LLC a 43.4% interest in Sunshine Argentina, Inc., a Delaware corporation, the holder of the rights to the Pirquitas Project located in the Province of Jujuy, Argentina. The total purchase price for the 43.4% interest was:

- the payment at closing of US\$3,000,000 in cash; and
- the issuance of a US\$1,340,000 convertible debenture, with a term of one year, an exercise price of Cdn\$5.80 per share and an interest rate of 10% per annum.

The debenture was fully converted by the holder by December 31, 2002 into 360,636 common shares in our capital. At the time of the acquisition of 43.4% interest in Sunshine Argentina, Inc., we became the operator of the Pirquitas Project.

Under an agreement dated October 20, 2004, we acquired from Elliott International L.P., The Liverpool Limited Partnership and Highwood Partners, L.P. a 56.6% interest in Sunshine Argentina, Inc., for a 100% total interest, on the issuance of 2.663 million common shares in our capital.

We currently own 100% of the issued and outstanding shares in the capital of Sunshine Argentina, Inc. (now known as Mina Pirquitas, Inc.) for a 100% interest in the Pirquitas Project.

San Luis Project

On March 22, 2005, we entered into an agreement with Esperanza Silver Corporation ("Esperanza") for the evaluation of mineral prospects in central Peru. Under the evaluation agreement,

- we agreed to contribute US\$300,000; and
- Esperanza agreed to contribute US\$200,000 and certain know-how;

- to carry out agreed upon evaluation programs for mineral prospects, with Esperanza acting as operator. In the event Esperanza acquires or proposes to acquire any mineral property as a result of an evaluation program, we may elect to enter into a joint venture with Esperanza for the exploration of the mineral property on the following terms:
 - we will initially hold a 50% interest in the joint venture and Esperanza will initially hold a 50% interest in the joint venture;
 - we may elect on the formation of the joint venture to increase our interest in the joint venture to 55% by funding the first US\$500,000 in exploration expenditures;
 - once we incur the first US\$500,000 in exploration expenditures or, if we do not elect to increase our interest to 55%, following the formation of the joint venture, we will incur with Esperanza US\$1.5 million in exploration expenditures in proportion to our respective interests in the joint venture;
 - once we incur with Esperanza US\$1.5 million in exploration expenditures, we may elect to increase our interest in the joint venture to 70% by paying all costs required to be incurred to complete a feasibility study for the project; and
 - if we elect to increase our interest to 70% by completing a feasibility study, on completion of the feasibility study we may elect to increase our interest in the joint venture to 80% by paying all costs required to be incurred to place the property into commercial production.

In August 2005, Esperanza advised us of the acquisition of certain mineral concessions, known as the San Luis Project, as the result of an evaluation program carried out under the evaluation agreement. On September 6, 2005, we entered into a joint venture agreement with Esperanza for the exploration of the San Luis Project (the “San Luis Joint Venture”) on the terms set out above and elected to increase our interest in the joint venture to 55% by funding the first US\$500,000 in exploration expenditures. During 2006, we earned a 55% interest in the joint venture and commenced incurring US\$1.5 million in exploration expenditures with Esperanza in proportion to our respective interests in the joint venture. In March 2006, we received notice from Esperanza that the joint venture had incurred US\$1.5 million in exploration expenditures on the San Luis Project. Following receipt of the notice, we elected to increase our interest in the joint venture to 70% by paying all costs required to be incurred to complete a feasibility study. The increase of our interest to 70% is subject to our completion of the feasibility study.

We currently hold a 55% interest in the San Luis Joint Venture.

Pitarrilla Project

We acquired by staking the original mineral claim covering the Pitarrilla Project in November 2002, acquired two contiguous claims by staking in 2003 and 2004 and acquired a fourth contiguous claim by staking in 2005. In addition, in 2004/2005 we acquired two adjoining claims, the Pena and Pena 1 claims, on payment of US\$300,000 and a third adjoining claim, the America claim, on payment of US\$250,000. Since then, we have acquired two additional claims by staking. We agreed to pay the following finder’s fee to La Cuesta International, Inc. in respect of our acquisition of the Pitarrilla Project:

- US\$5,000 in cash following the staking of the property;
- the greater of (i) US\$5,000 and (ii) 2% of our direct exploration expenditures on the property, payable every six months; and
- a 0.25% net smelter returns royalty applicable to all gold and silver produced from the property;

provided that the maximum amount payable in respect of the finder's fee was an aggregate of US\$500,000.

In 2007, we paid La Cuesta the remainder of the \$500,000 finder's fee. Accordingly, we currently own a 100% interest in the Pitarrilla Project.

Snowfield Project (Newhawk Arrangement)

On September 30, 1999, pursuant to a plan of arrangement (the "Newhawk Arrangement"), holders of common shares of Newhawk Gold Mines Ltd. ("Newhawk") exchanged every six Newhawk shares for one of our common shares. There were 13,712,707 common shares of Newhawk issued and outstanding at the time of the Newhawk Arrangement, which were exchanged for 2,285,451 of our common shares. On completion of the Newhawk Arrangement, Newhawk became our wholly-owned subsidiary.

At the time of the acquisition of Newhawk, its principal assets were a 60% interest in the Sulphurets Project (described below and at the time 40% owned by Black Hawk Mining Inc. ("Black Hawk"), which interest we subsequently acquired) and a 100% interest in the Snowfield Project, each of which is located in northwest British Columbia, Canada.

We currently own a 100% interest in the Snowfield Project.

Diablillos Project

As of November 1, 2001, we entered into a purchase agreement with Silver Standard (BVI) Inc. (our wholly-owned subsidiary), Pacific Rim Mining Corp. ("Pacific Rim") and Pac Rim Cayman and Pac Rim Caribe (III) (wholly-owned subsidiaries of Pacific Rim). Under the agreement, we agreed to acquire all of Pacific Rim's interest in the Diablillos Project located in Salta Province, Argentina through the acquisition of all of the shares of two indirect wholly-owned subsidiaries of Pacific Rim: Salta Gold Ltd. and Pacific Rim Mining Corporation Argentina S.A. Under the terms of the agreement, we agreed to pay Pacific Rim US\$3,400,000 in staged payments of:

- US\$1,000,000 payable in cash on closing;
- US\$500,000 payable in cash on December 31, 2001;
- US\$500,000 payable in cash or our shares, at our election, on or before June 30, 2002;
- US\$500,000 payable in cash or our shares, at our election, on or before December 31, 2002;
- US\$500,000 payable in cash or our shares, at our election, on or before June 30, 2003; and
- US\$400,000 payable in cash or our shares, at our election, on or before December 31, 2003.

On December 14, 2001, we completed the acquisition of the Diablillos Project and made the US\$1,000,000 cash payment due on closing. On December 31, 2001, we paid the US\$500,000 payment then due, and on January 18, 2002 issued 383,025 common shares in our capital in satisfaction of the payments due on June 30, 2002 and December 31, 2002. On June 28, 2002, we issued 142,970 common shares in our capital in satisfaction of the payments due on June 30, 2003 and December 31, 2003. The total purchase price was Cdn\$5,433,000, with Cdn\$5,430,000 allocated for the property and Cdn\$3,000 allocated for a provision for reclamation.

We currently own a 100% interest in the Diablillos Project.

Secondary Projects

Berenguela Project

On March 31, 2004, we and our wholly-owned subsidiary, Silver Standard Peru S.A., entered into an option agreement with Sociedad Minera Berenguela S.A. (“SOMINBESA”), a Peruvian corporation and the holder of the rights to the Berenguela Project located in Peru, and Fossores Ltd. (“Fossores”) under which we acquired an option to acquire all of the in-ground silver resources contained in the Berenguela Project in Peru. In order to maintain the option in good standing, we were required to issue:

- 17,500 of our common shares to SOMINBESA (issued);
- substantially complete an exploration program on the Berenguela Project (completed); and
- cause a silver resource estimate (the “Berenguela Resource Estimate”) for the Berenguela Project to be prepared using all existing data, including data generated in the exploration program (prepared).

In order to exercise the option, we were required to issue to SOMINBESA, on or before the expiry of a period of 60 days following the filing of the Berenguela Resource Estimate with the Canadian Securities Administrators, common shares in our capital that were equal to the value (at the time of exercise) of the measured, indicated and inferred silver resources in the Berenguela Resource Estimate. The silver resources were to be valued at:

- US\$0.02 if the price of silver was less than or equal to US\$5.50 per ounce;
- US\$0.025 if the price of silver was greater than US\$5.50 per ounce but less than or equal to US\$6.50 per ounce for each ounce of silver; or
- US\$0.03 if the price of silver was greater than US\$6.50 per ounce.

Under the terms of the option agreement, we had the right on exercise of the option, among other things, to acquire and mine all silver resources in excess of those contained in the Berenguela Resource Estimate on payment of US\$0.10 per ounce and independently exploit the silver resources on the property if SOMINBESA had not completed a feasibility study and commenced the development of the property at the time the price of silver had exceeded US\$7.00 per ounce, averaged over a consecutive 130 day period.

On March 31, 2004, we also entered into a funding agreement with Fossores, under which Fossores agreed to provide us with:

- all the data in Fossores’ files concerning the Berenguela Project;
- a computerized index of the data;
- the metallurgical processes that can be used to recover the silver resources from the Berenguela Project; and
- a pre-feasibility study that presents an economically viable plan for the development of the Berenguela Project, including silver recovery.

Under the funding agreement, we agreed to pay Fossores:

- US\$20,000 on execution of the Berenguela option agreement (paid);
- US\$180,000 following acceptance for filing of the Berenguela option agreement by the TSX Venture Exchange (paid); and

- on exercise of the Berenguela option agreement:
 - o if the price of silver was less than or equal to US\$5.50 per ounce, US\$0.02 for each ounce of measured, indicated and inferred silver resources in the Berenguela Resource Estimate;
 - o if the price of silver was greater than US\$5.50 per ounce but less than or equal to US\$6.50 per ounce, US\$0.025 for each ounce of measured, indicated and inferred silver resources in the Berenguela Resource Estimate;
 - o if the price of silver was greater than US\$6.50 per ounce, US\$0.03 for each ounce of measured, indicated and inferred silver resources in the Berenguela Resource Estimate.

The option was not exercised as we acquired all of the shares of SOMINBESA (the holder of the Berenguela Project) under a separate agreement in January 2006.

On December 30, 2005, we entered into an agreement for the acquisition of all of the shares of SOMINBESA. Under the purchase agreement, we agreed to pay to the vendors, Daniel Kappes, Michael Cassidy and Victor Raul Eyzaguirre, an aggregate payment of US\$2.0 million in cash, issue to the vendors common shares in our capital having a value of US\$8.0 million and grant to the vendors a 2% net smelter returns royalty on copper produced from the project capped at US\$3.0 million. On January 12, 2006, we completed the acquisition of the shares of SOMINBESA, and the Berenguela Project, and issued 530,504 shares in our capital to satisfy the obligation to issue shares in our capital having a value of US\$8.0 million.

We currently have a 100% interest in the Berenguela Project, subject to:

- a royalty of 2% of net smelter returns on copper produced from the project capped at US\$3.0 million.

San Agustin Project

We acquired by staking the mineral claims covering the San Agustin Project located in Durango State, Mexico in April 2003. We have agreed to pay the following finder's fee to La Cuesta International, Inc. in respect of our acquisition of the San Agustin Project:

- US\$5,000 in cash following the staking of the property (paid);
- the greater of (i) US\$5,000 and (ii) 2% of our direct exploration expenditures on the property, payable every six months; and
- a 0.25% net smelter returns royalty applicable to all gold and silver produced from the property;

provided that the maximum amount payable in respect of the finder's fee is an aggregate of US\$500,000.

In August 2006, we granted an option to acquire a 100% interest in the San Agustin Property to Geologix under an agreement dated August 25, 2006 with Silver Standard Mexico S.A. de C.V., Geologix and Geologix Explorations Mexico, S.A. de C.V. (Silver Standard Mexico S.A. de C.V. and Geologix Explorations Mexico, S.A. de C.V. are wholly-owned subsidiaries of Silver Standard and Geologix, respectively). In order to maintain the option in good standing under the terms of the option agreement, Geologix must:

- issue to us:

- o 500,000 shares of Geologix following the signing of the agreement (issued); and
- o 500,000 shares of Geologix on or before the first anniversary of the agreement (issued);
- incur exploration expenditures of not less than US\$2 million on or before the second anniversary of the date of the agreement, which expenditures are to include:
 - o exploration expenditures of not less than US\$500,000 on or before the first anniversary of the agreement; and
 - o at least 15,000 meters of drilling completed in accordance with an agreed upon drill program on or before the second anniversary of the agreement; and
- cause an estimate of the silver resource and gold resource for the property to be prepared in accordance with Canadian National Instrument 43-101 within 27 months after the date of the agreement.

In order to exercise the option under the terms of the option agreement, Geologix must:

- pay us in respect of the silver resource:
 - o 10% of the gross value of the silver resource, if the price of silver is less than or equal to US\$10.00 per ounce, provided that if the silver price is less than US\$5.50 per ounce, the silver price shall be deemed to be US\$5.50 per ounce; or
 - o US\$1.00 per ounce of silver resource, if the price of silver is greater than US\$10 per ounce, but less than or equal to US\$20 per ounce; or
 - o US\$1.50 per ounce of silver resource, if the price of silver is greater than US\$20 per ounce;
- pay us in respect of the gold resource:
 - o US\$15 per ounce of gold resource, if the price of gold is less than or equal to US\$750 per ounce; or
 - o US\$20 per ounce of gold resource, if the price of gold is greater than US\$750 per ounce;
- less:
 - o exploration expenditures incurred, up to a maximum of US\$2,000,000; and
 - o the value of the shares of Geologix issued to us to maintain the option described above; and
- grant us a royalty of 2.5% of net smelter returns applicable to all minerals produced from the San Agustin Property, that are not within the estimate of the silver resource and gold resource, up to a maximum of 2 million ounces of gold equivalent.

If the estimate of the silver resource is equal to or greater than 50 million ounces of silver and Geologix exercises the option, we had the right to elect to acquire a 50% interest in San Agustin Property by incurring expenditures over two years equal to three times the exploration expenditures incurred by Geologix, provided that Geologix could have elected that we pay to Geologix up to 1.5 times their exploration expenditures in cash and incur the remaining 1.5 times their exploration expenditures on exploration.

In September 2007, we agreed with Geologix to amend the option agreement to provide for, among other things, Geologix to drill the required meterage in accordance with a revised drill program, an extension of one month to the time required to deliver the resource estimate (from 27 months to 28 months after the date of the option agreement) and the release of our rights to back-in for a 50% interest in the property.

On August 12, 2008, Geologix delivered to us notice that it had incurred the required expenditures under the option agreement. Under the terms of the option agreement, Geologix had four months following delivery of notice that it had incurred the required exploration expenditures to deliver to us the resource estimate. On December 12, 2008, Geologix delivered to us the resource estimate. Under the terms of the option agreement, Geologix had 60 days following delivery of the resource estimate (February 10, 2009) to pay us the option exercise payment, which based on then silver and gold prices was approximately US\$34 million. Geologix did not pay us the required amount to exercise the option on February 10, 2009 and the option and option agreement terminated.

We currently own a 100% interest in the San Agustin Property, subject to:

- the above described finder's fee capped at US\$500,000.

Challacollo Project

Under the terms of an option agreement dated November 16, 2001, we acquired from Sociedad Contractual Minera Septentrion ("Minera Septentrion") an option to acquire a 100% interest in the Challacollo Project located in northern Chile. Under the terms of the option agreement, we made cash option payments totaling US\$1,500,000 over two years.

On August 1, 2003, we exercised the option and acquired a 100% interest in the Challacollo Project.

A five percent finder's fee was included in the cash option payments. The project is subject to an existing 2% production royalty capped at US\$850,000 and a 2% production royalty to Minera Septentrion increasing to 3% once the existing 2% royalty is fully paid. The Minera Septentrion royalty may be purchased for US\$1,500,000 at any time.

In 2005, we agreed to acquire certain mineral claims adjacent to the Challacollo Project. In 2007, we completed the acquisition of these mineral claims on issuance of 9,285 of our common shares.

At the date of this Annual Report, we have a 100% interest in the Challacollo Project, subject to:

- a 2% production royalty capped at US\$850,000; and
- a 2% production royalty increasing to 3% once the above 2% royalty is fully paid, which may be purchased for US\$1,500,000 at any time.

Candelaria Mine Project

On November 1, 1999, we entered into an option agreement with Kinross Candelaria Mining Company, a Delaware corporation and an indirect wholly-owned subsidiary of Kinross Gold Corporation, a Toronto Stock Exchange listed company (together "Kinross"), under which we acquired an option to acquire a 100% interest in the Candelaria Mine Project, located in Mineral and Esmeralda counties of the State of Nevada. Under the option agreement, in consideration of the issuance to Kinross of 50,000 of our common shares, we were granted the right to carry out a six month due diligence review of the Candelaria Mine Project. In order to exercise the option, we were required to:

- make staged cash payments to Kinross totalling Cdn\$300,000 over a period of 12 months;

- issue 600,000 units to Kinross (each unit to consist of one common share and one common share purchase warrant, with each warrant entitling Kinross to acquire one additional common share for a period of one year at a price of Cdn\$3.50); and
- pay US\$1,000,000 to Kinross on commencement of commercial production.

In addition to the payments and share issuances, on exercise of the option:

- Kinross could have elected to require us to purchase the processing facility located on the mine site for Cdn\$300,000; and
- we were to assume all liabilities relating to the mine.

On March 28, 2000, we entered into an amending agreement with Kinross, under which Kinross agreed to extend the term of the option by three months (to a nine-month term) on our payment to Kinross of Cdn\$50,000 and issuance to Kinross of 27,500 of our common shares. Under further amending agreements dated July 12, 2000, October 27, 2000 and November 29, 2000, the term of the option was extended, without payment of any further consideration, to March 31, 2001. On March 30, 2001, we delivered notice of exercise of the option to Kinross, which provided for the closing of the purchase on amended terms. On October 1, 2001, we acquired from Kinross Gold U.S.A., Inc. ("Kinross Gold") all of the shares of Kinross Candelaria Mining Company, the owner of the Candelaria mine and related assets, on:

- payment to Kinross Gold of US\$65,834;
- issuance to Kinross Gold of 600,000 common shares in our capital and 600,000 common share purchase warrants, with each warrant entitling Kinross Gold to acquire one additional common share until October 1, 2002 at a price of Cdn\$3.50 per share;
- delivery to Kinross Gold of a promissory note in the amount of Cdn\$300,000 payable on or before April 1, 2002 in cash or our shares, at our election, at a price equal to the 20-day average closing price of our shares on the Canadian Venture Exchange (we paid the full amount of the promissory note on March 26, 2002 by the issuance to Kinross Gold of 70,922 of our common shares);
- reimbursement of Kinross Gold of US\$209,607 for expenses incurred by Kinross Gold in respect of the Candelaria mine from April 1, 2001 to September 30, 2001; and
- the assumption of all liabilities associated with the Candelaria mine.

Under the purchase agreement, Kinross Gold agreed to maintain the reclamation bonding for the Candelaria mine in place until April 1, 2003, extendable to April 1, 2004 on our payment to Kinross Gold of US\$50,000. Reclamation bonding for the property was US\$1,679,435, and we pledged the shares of Kinross Candelaria Mining Company to Kinross Gold as collateral pending our arrangement of reclamation bonding. In March 2003, we paid the US\$50,000 for Kinross Gold to maintain the reclamation bonding in place until April 1, 2004. In March 2004, we filed a substitute reclamation bond and related documents with the Bureau of Land Management to assume the reclamation bonding for the Candelaria Mine. On July 30, 2004, the Bureau of Land Management processed our filing and, effective March 8, 2004, accepted our substitute reclamation bond and terminated the period of liability of the Kinross Gold reclamation bond. As a result, the shares of Kinross Candelaria Mining Company (now known as Candelaria Mining Company) are no longer pledged to Kinross Gold.

Under the terms of the purchase agreement, Kinross Gold was responsible for completing the reclamation of the mine (including the seeding of certain parts of the property), and we agreed, among other things, to assume all liabilities, including environmental monitoring, relating to the mine following the completion of reclamation by Kinross Gold. Kinross Gold completed the reclamation of the Candelaria mine in 2003.

With the completion of the reclamation of the mine by Kinross Gold, we are responsible for the establishment of plant growth on the property. In the event the seeding by Kinross Gold on the property does not result in sufficient plant growth, we will be required to reseed the property at an estimated cost of US\$136,800; and, if reseeding does not establish sufficient plant growth, we will be required to place a soil cap on the heap leach pads at an estimated cost of US\$1,272,100. In addition, on reclamation of the mine, we must monitor the mine at a total estimated cost of US\$20,300 over a five year period.

We acquired the Candelaria mine for the large silver resource that remained on the property at the time of closure of the mine by Kinross Gold. Our due diligence review of the property included re-drilling nine holes in the Deep Diablo area, limited metallurgical studies, engineering scoping studies and a complete environmental audit. Our drilling confirmed the original resource estimate. Metallurgical and engineering studies demonstrated that conventional milling of the ore was feasible at higher silver prices. The environmental review did not identify any significant environmental issues and confirmed that the substantial amount of reclamation work completed to date satisfied all state and federal guidelines.

At the date of this Annual Report, we own all of the shares of Candelaria Mining Company, which owns a 100% interest in the Candelaria mine.

Maverick Springs Project

As required by a letter agreement dated November 7, 2002 among Vista Gold Corporation (“Vista”), Vista Nevada Corp. (“VNC”), a wholly-owned subsidiary of Vista, and us, on June 9, 2003, our wholly-owned subsidiary, Maverick Silver Inc., entered into an exploration and development agreement with Vista and VNC, pursuant to which we acquired an option to acquire a 55% interest in the Maverick Springs Project located in northern Nevada, representing all of the silver resources hosted in the project, subject to underlying agreements and royalties described below. This option was exercisable on:

- payment of US\$300,000 on execution of the exploration and development agreement (paid); and
- incurring US\$1,200,000 over four years to fund required exploration expenditures, and payments and option payments (all of which was incurred before December 31, 2005).

Under an option agreement dated October 7, 2002 among Newmont Mining Corporation and Newmont Capital Limited (together, “Newmont”), Vista and VNC, Newmont granted Vista and VNC an option to acquire a 100% interest in the Maverick Springs Project. In order to maintain the option in good standing, Vista and VNC assumed responsibility for the following payments and expenditures that Newmont was required to make under its mining lease with the owner of the property:

- payment of US\$15,000 on October 1, 2002 (paid);
- payment of US\$50,000 on October 1, 2003 (paid);
- payment of US\$100,000 on each October 1st thereafter (paid up-to-date);
- a net smelter returns royalty ranging from 1.9% for gold and silver prices that are less than US\$250 and US\$4.50 per ounce, respectively, to 5.9% for gold and silver prices that are greater than US\$550 and US\$8.50 per ounce, respectively;
- a net smelter returns royalty of 2.9% for all metals other than gold and silver; and
- completion of a minimum of 6,400 feet of exploration drilling in each of the first three years of the agreement (completed).

In order for Vista and VNC to exercise their option from Newmont, they were required to:

- pay Newmont US\$250,000 in cash (paid);
- reimburse Newmont for 2003 federal maintenance fees of US\$37,300 (paid);
- issue to Newmont 141,243 shares of Vista (issued) and 141,243 warrants of Vista (issued) (with each warrant exercisable for one share of Vista for a period of two years at US\$4.43 per share);
- issue to Newmont, on the first anniversary of the option agreement, the number of shares of Vista determined by dividing US\$500,000 by the weighted average closing price of the shares of Vista on the American Stock Exchange averaged over the 10-day trading period ending on the day before the first anniversary of the agreement (the “Weighted Average Price”) and an equal number of share purchase warrants (with each warrant exercisable for a period of two years from the closing at a price equal to 125% of the Weighted Average Price) (on October 7, 2003, Vista issued 122,923 common shares and warrants to Newmont); and
- grant to Newmont a 1.5% net smelter returns royalty on production from the Maverick Springs Project.

In addition, following the fourth anniversary of the option agreement with Newmont, Newmont had the right, on payment of 200% of Vista’s expenditures on the Maverick Springs Project, to acquire a 51% interest in the project. If Newmont had elected to acquire a 51% interest in the Maverick Springs Project, expenditures by Vista, following the acquisition of 51% of the project by Newmont, would have been capped at US\$2,000,000 until a feasibility study was completed for the project.

In October 2005, we incurred the last of the US\$1.2 million in required expenditures and vested our interest in the Maverick Springs Project.

In January 2007, Newmont elected not to acquire a 51% interest in the Maverick Springs Project.

We currently have a 55% interest in the Maverick Springs Project, representing all of the silver resources hosted in the project, subject to:

- the net smelter returns royalties payable to the property owner and Newmont as described above.

Bowdens Project

We entered into an agreement on December 23, 1996 with Golden Shamrock Mines Limited, as amended by an amending agreement dated August 4, 1997, to acquire all of the issued shares of GSM Exploration Pty Limited (“GSM Exploration”) (now known as Silver Standard Australia Pty Limited) at a cost of US\$6,712,845. The acquisition of the shares of GSM Exploration was completed on August 22, 1997. At the time, the only asset of GSM Exploration was the Bowdens Project located in New South Wales, Australia, which it acquired from CRA Exploration Pty Limited (“CRA Exploration”) (now known as Rio Tinto Exploration Pty Limited) pursuant to the terms of a tenement sale agreement dated August 11, 1994. Under the terms of the tenement sale agreement, CRA Exploration had the right, among other things, to:

- receive a payment of A\$1,429,397 on GSM Exploration making a decision to mine in respect of the Bowdens Project;
- reacquire up to a 51% interest in the Bowdens Project in the event gold and silver resources were delineated on the Bowdens Project in excess of A\$800,000,000 or base metal resources

were delineated on the Bowdens Project in excess of A\$3,000,000,000 within the six month period following the decision to mine; and

- reacquire a 100% interest in the Bowdens Project at no cost in the event GSM Exploration did not make a decision to mine in respect of the Bowdens Project by August 11, 1999.

On July 31, 1997, prior to completing the acquisition of the shares of GSM Exploration, we entered into an agreement with CRA Exploration under which CRA Exploration agreed to release all of its rights to reacquire an interest in the Bowdens Project in return for:

- the issuance of 160,000 of our common shares (which have since been issued);
- the payment of A\$1,500,000 on the commencement of commercial production on the Bowdens Project; and
- the granting of a royalty of 2% of net smelter returns reducing to 1% of net smelter returns after the payment of US\$5,000,000 in royalties.

Accordingly, with the completion of the acquisition of the shares of GSM Exploration and the signing of the agreement with CRA Exploration, we own 100% of the shares of GSM Exploration for a 100% interest in the Bowdens Project, subject to the rights of CRA Exploration to receive:

- the payment of A\$1,500,000 on the commencement of commercial production on the Bowdens Project; and
- a royalty of 2% of net smelter returns reducing to 1% of net smelter returns after the payment of US\$5,000,000 in royalties.

Silvertip Project

Under an agreement dated November 27, 2002 with Imperial Metals Corporation and its wholly-owned subsidiary Silvertip Mining Corporation (together “Imperial”), we acquired a 100% interest in the Silvertip Property located in northern British Columbia, Canada. Under the agreement:

- we paid Imperial Cdn\$1,200,000 in cash;
- issued to Imperial 100,000 of our common shares; and
- assumed the remaining reclamation obligations associated with the property (at the date of this Annual Report, reclamation bonding totals Cdn\$79,000 in respect of the Silvertip Property).

Certain of the non-core claims comprised in the property are subject to a 5% net profits interest royalty.

We currently own a 100% interest in the Silvertip Property, subject to:

- a 5% net profits interest royalty on certain of the non-core claims comprised in the property.

Sulphurets Project (Newhawk Arrangement)

On September 30, 1999 pursuant to the Newhawk Arrangement, holders of common shares of Newhawk exchanged every six Newhawk shares for one of our common shares. There were 13,712,707 common shares of Newhawk issued and outstanding at the time of the Newhawk Arrangement which were exchanged for 2,285,451 of our common shares. On completion of the Newhawk Arrangement, Newhawk became our wholly-owned subsidiary.

At the time of the acquisition of Newhawk, its principal asset was a 60% interest in the Sulphurets Project (at the time 40% owned by Black Hawk, which interest we subsequently acquired) and a 100% interest in the Snowfield Project (described above), each of which is located in northwest British Columbia, Canada.

Following the Newhawk Arrangement, we completed reclamation work on the Sulphurets Project, which was then underway. Reclamation work in 1999 was approved by the British Columbia Ministry of Energy and Mines, Ministry of Environment, Lands and Parks and Ministry of Forests. Total reclamation costs incurred in 1999 were Cdn\$1,161,333. As at the date of this Annual Report, reclamation bonding totals Cdn\$5,000 in respect of the Sulphurets Project.

Under an agreement with Triton Mining Corporation (a wholly-owned subsidiary of Black Hawk), we acquired, among other things, Black Hawk's 40% interest in the Sulphurets Project in exchange for a 10% interest in the Manantial Espejo Project (a silver-gold project located in Santa Cruz Province, Argentina), a cash payment of Cdn\$125,000 and a 1.2% net smelter returns royalty on production in excess of current resources of silver and gold already outlined on the Sulphurets Project. In 2006, we sold our entire interest in the Manantial Espejo Project, being a 50% interest, to Pan American Silver Corp. For disclosure as to the Manantial Espejo Project, please see our Annual Report on Form 20-F for the fiscal year ending December 31, 2006 filed with the SEC.

We currently own a 100% interest in the Sulphurets Project, subject to:

- the 1.2% net smelter returns royalty payable to Black Hawk described above.

Sunrise Lake Deposit

Under an agreement dated June 9, 2003 with Northern Hemisphere Development Corp. ("Northern") and Aber Diamond Corporation ("Aber"), we acquired a 100% interest in the Sunrise Lake Deposit located in the South MacKenzie District, Northwest Territories, Canada. Under the agreement:

- we paid Northern US\$252,442 in cash and issued to Northern 42,938 of our common shares;
- we paid Aber US\$235,558 in cash and issued to Aber 40,066 of our common shares; and
- we assumed the remaining reclamation obligations associated with the property.

The claims comprised in the Sunrise Lake Deposit are subject to a 5% net profits interest royalty.

We currently own a 100% interest in the Sunrise Lake Deposit, subject to:

- a 5% net profits interest royalty on claims comprised in the Sunrise Lake Deposit.

Veta Colorado Project

On July 27, 2005, we entered into agreements with Mexicana del Arco, S.A. de C.V. and Industrial Minera Mexico, S.A. de C.V. to acquire a 100% interest in the Veta Colorado Project located in the Parral District of Chihuahua State, Mexico. Under the purchase agreements, we agreed to pay US\$50,000 (paid) on signing the agreements and a further US\$3.45 million on satisfactory completion of due diligence within 120 days of signing the agreements. We also agreed to grant a royalty of 1% of net smelter returns to the vendors. In December 2005, the vendors agreed to extend the due diligence period to March 31, 2006 in consideration of an advance payment of US\$120,000 (paid) with the remaining US\$3.33 million due by March 31, 2006.

In March 2006, we advised Mexicana del Arco, S.A. de C.V. and Industrial Minera Mexico, S.A. de C.V. that we had completed our due diligence of the Veta Colorado Project and were ready to complete the

acquisition of the project. In June 2006, we completed the acquisition of the Veta Colorada Project by paying US\$3.33 million.

We currently own a 100% interest in the Veta Colorada Project, subject to:

- a 1% net smelter returns royalty payable to the vendors.

San Marcial Project

In January 2002, we acquired from Gold-Ore Resources Ltd. ("Gold-Ore") an option to acquire up to a 100% interest in Gold-Ore's option to acquire the San Marcial Project located in Sinaloa State, Mexico. Under the terms of the option:

- we could earn a 50% interest by:
 - o making cash payments totaling US\$29,000 by February 4, 2002 (paid); and
 - o incurring exploration expenditures of at least US\$175,000 by April 30, 2002 (incurred).
- We could then earn up to a 100% interest in Gold-Ore's option by, at our election, either:
 - o issuing to Gold-Ore 200,000 of our common shares with a value of at least US\$350,000; or
 - o paying to Gold-Ore US\$350,000 in a combination of cash and our common shares with at least US\$150,000 in cash.

In addition, if, following the exercise of the option, within three years of the date of the option agreement:

- we outlined in excess of 50 million ounces of measured and indicated silver resources on the property, in accordance with Canadian National Instrument 43-101 using a 50 g/t silver cut-off grade, we were to pay to Gold-Ore, in cash or our common shares, at our election, US\$0.005 per ounce for each ounce of silver outlined in excess of 50 million ounces; and
- the afternoon fix of the price of silver on the London Mercantile Exchange was greater than or equal to US\$6.50 per ounce for a minimum of 60 consecutive days, we were to pay to Gold-Ore, in cash or our common shares, at our election, US\$0.005 per ounce for each ounce of measured and indicated silver resources outlined on the property, in accordance with Canadian National Instrument 43-101, using a 50 g/t silver cut-off grade.

To exercise Gold-Ore's option and earn a 100% interest in the San Marcial Project pursuant to the underlying option agreement, we were required to:

- make scheduled cash payments to the project vendor, Met-Sin Industriales, S.A. de C.V., totaling US\$462,500.
- incur US\$400,000 in further exploration expenditures on the project by February 4, 2004 (US\$200,000 of which was required to be incurred by February 4, 2003);
- pay US\$100,000 on commencement of commercial production to International American Resources Inc.; and
- grant a 3% net smelter returns royalty to the project vendor, provided that each 1% of the royalty could be acquired for US\$600,000.

In August 2002, we exercised our option with Gold-Ore to acquire an option to acquire a 100% interest in the San Marcial Project by:

- paying to Gold-Ore US\$150,000 in cash;
- issuing to Gold-Ore 45,706 common shares in our capital; and
- entering into an option agreement with the owner of the San Marcial Project to acquire a 100% interest in the San Marcial Project on the terms contained in the original option agreement between Gold-Ore and the owner of the project as described above.

In February 2004, we exercised our option to acquire a 100% interest in the San Marcial Project by making the final payment due under the option agreement of US\$387,500, for total payments of US\$462,500.

In October 2007, we entered into a term sheet with Silvermex Resources Ltd. (“Silvermex”), under which we agreed to grant Silvermex an option to acquire a 100% interest in the San Marcial Project, subject to, among other things, the execution of a formal agreement. In accordance with the term sheet, in order to maintain the option in good standing, Silvermex must:

- issue to us:
 - o 1,000,000 shares of Silvermex following the signing of the formal agreement;
 - o 1,000,000 shares of Silvermex within 12 months after the date of the formal agreement; and
 - o 1,000,000 shares of Silvermex within 24 months after the date of the formal agreement;
- incur exploration expenditures of not less than US\$3.5 million on or before the third anniversary of the date of the formal agreement, which expenditures are to include:
 - o exploration expenditures of not less than US\$500,000 in the first year of the formal agreement;
 - o exploration expenditures of not less than US\$1,000,000 in the second year of the formal agreement;
 - o exploration expenditures of not less than US\$2,000,000 in the third year of the formal agreement; and
- cause an estimate of the silver equivalent resources (based on gold and silver) for the project to be prepared in accordance with Canadian National Instrument 43-101 within 39 months after the date of the formal agreement.

In order to exercise the option under the terms of the option agreement, Silvermex must:

- pay us US\$15 million for the first 14.26 million ounces of silver resources on the project, less the value of the 3 million shares of Silvermex issued to us to maintain the option in good standing, provided that if the price of silver is greater than US\$15 per ounce at the time of exercise of the option, Silvermex shall pay us US\$18 million for the first 14.26 million ounces of silver resources less the value of the 3 million shares of Silvermex issued to us to maintain the option in good standing;
- pay us US\$0.50 per ounce of silver in the resource estimate for the project in excess of 14.26 million ounces of silver; and

- assume the obligation to pay the US\$100,000 due on commencement of commercial production to International American Resources Inc. and the 3% net smelter returns royalty.

If the estimate of the silver resource is equal to or greater than 100 million ounces of silver equivalent (based on silver and gold), we shall have the right to elect to acquire a 50% interest in San Marcial Project by incurring expenditures equal to three times the exploration expenditures incurred by Silvermex.

At the date of this Annual Report, we have a 100% interest in the San Marcial Project, subject to:

- paying US\$100,000 on commencement of commercial production to International American Resources Inc.;
- a 3% net smelter returns royalty, provided that each 1% of the royalty could be acquired for US\$600,000; and
- the option granted to Silvermex to acquire the property described above.

Other Properties

Duthie Property

We acquired the Duthie Property in November 1978 for its then known silver reserve, based on the then prevailing price of silver, and functioning mill. The Duthie Property is located 12 kilometers west of Smithers, British Columbia, approximately 1.2 kilometers north of Aldrich Lake. It operated intermittently from 1923 to the mid-1980s. Over much of this period, some hand-picked direct-shipping ore was mined, especially in the early years. Of an estimated 80,000 tons mined, about 59,400 tons were milled. Concentrate shipments totaled 7,144 tons.

At the time of acquisition of the Duthie Property, we were not responsible for, and had no obligation in respect of, the reclamation of historical tailings. In the early 1990s, British Columbia adopted legislation which resulted in our becoming responsible for the reclamation of historical tailings on the Duthie Property. As a result, we submitted a reclamation proposal for the tailings impoundment area that contained three reclamation options to the Province of British Columbia in March 1994. We have since completed a study which defines the most appropriate reclamation option and in March 1998 submitted the results of the study to the Province of British Columbia. A reclamation option was accepted by the Province of British Columbia in June 1999, subject to possible refinements. During 2006, 2007 and 2008, we carried out reclamation work of \$313,000, \$587,000 and \$679,000, respectively. In 2009, reclamation work will continue at an estimated cost of \$133,000, subject to weather conditions. Remaining reclamation obligations include constructing a wetland and monitoring the results in subsequent years. Estimated costs for the remaining reclamation beyond 2009 are \$685,000, which amount has been included in our provision for reclamation and includes Cdn\$28,000 per year for ongoing monitoring.

Silver Standard Mine Property

We acquired the Silver Standard Mine Property in 1947, placed the mine in production in 1948 and operated the property as a mine until 1958. As the former mine operator, we are responsible for the reclamation of the property.

Our environmental consultants have studied the property and have prepared a conceptual reclamation plan with possible reclamation alternatives for the reclamation of the property. In 2006, we submitted the conceptual reclamation plan to the appropriate government agencies for comment. With the finalization of the conceptual reclamation plan, we have estimated the fair value of the liability associated with the

reclamation of the property to be Cdn\$2,736,000. This estimate will be adjusted to reflect any changes to the reclamation plan resulting from the regulatory review. Until the conceptual reclamation plan is accepted by the regulatory agencies, monitoring is not required.

In 2005, we spent Cdn\$90,000 completing required reclamation work on the property, which involved the closure of mine workings. Once the conceptual reclamation plan is accepted by the regulatory agencies, we will commence reclamation of the property.

Others

We have a number of other property holdings in Argentina, Australia, Canada, Chile, Mexico and the United States, which are not considered our principal, secondary, tertiary or long-term properties. These property interests are being held for possible future exploration and development, reclamation work, sale, or joint venture. Interests in all of our properties are currently held through claims, leases and options and through working interests. We review such holdings on a regular basis to determine if they should be retained.

Shafter Silver Project

On September 19, 2000, we entered into an agreement with SSR Acquisition, Inc. (our wholly-owned subsidiary), Coastal Capital Partners L.P., John H. Bailey, Peter Galli, Carolyn E. Galli, Mark Fidler, Kathleen Fidler and David Fraser. Under the agreement, we acquired 91.8% of the issued shares of Silver Assets, Inc. in consideration of the payment of US\$0.00654 per share for a total purchase price of US\$599,305. On November 9, 2000, a short-form merger between SSR Acquisition, Inc. and Silver Assets, Inc. was effected (under the laws of the State of California), under which we acquired the remaining issued shares of Silver Assets, Inc. for US\$0.00654 per share. The purchase price for 100% of the issued shares of Silver Assets, Inc. was US\$693,601 (Cdn\$1,024,293).

At the time of our acquisition of Silver Assets, Inc., its sole asset was a 90.56% interest in Rio Grande Mining Company (“Rio Grande”), the holder of the Shafter Silver Project located near Shafter, Texas. On February 4, 2002, the Nevada Secretary of State accepted a filing document that effected our acquisition of the remaining 9.44% outstanding minority stockholdings in Rio Grande. The cost of acquiring the minority stockholding was US\$55,053, which was paid out over time as shares were surrendered. In late 2005, US\$49,000 in unclaimed minority stockholding interests were remitted to states of last known residence in settlement of our obligations for the minority stock holdings of Rio Grande.

Prior to our acquisition of Silver Assets, Inc. and Rio Grande, Rio Grande purchased all of the “major” outstanding royalties on metal production from the Shafter Silver Project. One of these royalties was a 6.25% net smelter return royalty payable to Cyprus Amax out of future mining revenues, which Rio Grande purchased from Cyprus Amax for US\$50,000 cash and a US\$475,000 note. Following our acquisition of Silver Assets, Inc.:

- we made the final payment of US\$75,000 plus interest due to Cypress Amax under the US\$475,000 note; and
- we acquired one of the two remaining royalties on metal production from the Shafter Silver Project of 6.5% on the Chavez-Miller portion of the property, covering an area of approximately 137.4 hectares, for US\$117,500.

The only remaining material royalty on metal production from the Shafter Silver Project is a 6.25% royalty on a narrow strip of land, covering an area of 10 acres, leased from the State of Texas that contains only a minor amount of the Mineral Resource.

With the acquisition of the minority stockholdings in Silver Assets, Inc. and Rio Grande, we owned a 100% interest in the Shafter Silver Project, subject to the above described royalty payable to the State of Texas.

Under an agreement dated July 16, 2008, we sold all of our interest in the Shafter Silver Project, through the sale of all of our shares of Silver Assets, Inc., to Aurcana Corporation (“Aurcana”) in consideration of:

- the payment of US\$23 million in cash;
- the issuance of 15,000,000 common shares of Aurcana having a deemed value of \$0.64 per share; and
- the issuance of a convertible debenture with a face value of \$10,000,000, interest rate of 3% and convertible at a price of \$1.515 per common share.

Following the completion of the sale of our interest in the Shafter Silver Project to Aurcana, we have no interest in the Shafter Silver Project.

C. Organizational Structure

We have five significant subsidiaries. The following table sets out the name, jurisdiction of incorporation and incorporation date, date of our acquisition and our interest in each of our significant subsidiaries:

Table No. 5
Significant Subsidiaries

Name of Subsidiary	Jurisdiction of Incorporation and Incorporation Date	Date Acquired	Our Interest
777666 B.C. Ltd.	British Columbia; December 19, 2006	December 19, 2006	100%
Reliant Ventures S.A.C.	Peru, October 24, 2002	November 2007	55% ⁽¹⁾
Mina Pirquitas, Inc.	Delaware, USA; September 8, 1994	October 22, 2004	100% ⁽²⁾
Pacific Rim Mining Corporation Argentina S.A.	Argentina; October 1, 1993	December 14, 2001	100%
Silver Standard Durango S.A. de C.V.	Mexico; January 21, 2004	January 21, 2004	100%

(1) We have elected to increase our interest in Reliant Ventures S.A.C. to 70% by completing a feasibility study for the San Luis Project (see Item 4.B “Business Overview – Principal Projects – San Luis Project”).

(2) Formerly known as Sunshine Argentina, Inc. We acquired a 43.4% interest on June 27, 2001 and acquired the remaining 56.6% interest on October 22, 2004.

D. Property, Plant and Equipment

Principal Projects

Pirquitas Project

Location, Access and Infrastructure

Our 100% owned Pirquitas Project is a primary silver deposit situated in the Puna de Atacama of northwestern Argentina, in the Province of Jujuy. The project is held by our wholly-owned subsidiary, Mina Pirquitas, Inc. (formerly known as Sunshine Argentina, Inc.), and the project site is located approximately 355 kilometers northwest of the city of San Salvador de Jujuy. Access to the site is by public roads. The project is located in mountainous terrain with elevations ranging from 4,100 to 4,400 meters above mean sea level. There are no nearby power lines or telecommunication lines; however, a natural gas pipeline is located approximately 36 kilometers to the south of the project. See the following Pirquitas Project, Location Map.

Land Tenure

The Pirquitas Project consists of 47 mineral concessions covering a total of 3,841 hectares. In order to maintain our rights to these concessions, we are required to make “canon” payments to the Argentine government.

The Pirquitas Project also includes surface rights covering an area of approximately 7,498 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.

History

Pirquitas is the largest historical producer of tin and silver in Argentina. The following is a chronological description of mining on the Pirquitas Project:

1932-1935 Tin placer deposits were first discovered in the area in 1932. Dredging of the tin placers commenced in 1933.

1935-1990 The source of the tin placers was discovered in 1935 and mining of the tin and silver lodes started in 1935. Twelve mines operated in the area and it was often found that mineralization from one mine would turn out to be the same zone as in another, leading to the eventual interconnecting of the mines. The largest mines were San Miguel, Chocaya, Llallagua, and Potosí. Reported total production during this time is estimated to be 777,600 kg of silver, 9,100 tonnes of tin from placer deposits, and 18,200 tonnes of tin mined from the vein systems.

1995-2003 Sunshine Argentina, Inc. acquired the Pirquitas property in a bankruptcy auction in November 1995. Sunshine Argentina Inc.'s exploration program included survey control, geophysical surveys, geological mapping, sampling, and drilling. All accessible underground workings were sampled and mapped. Sunshine Argentina Inc. also conducted extensive diamond and reverse circulation drilling from the surface and core drilling from underground. A feasibility study was completed for the project by Sunshine Argentina Inc. in 1999-2000.

2004-2005 With the acquisition of a 100% interest in the Pirquitas Project, we commenced updating the feasibility study completed in 1999/2000 to take into account current economic conditions. We also commenced an underground ramp to (a) provide a platform area to allow underground drilling, if required, to better define the base of the open pit in the proposed 1999/2000 feasibility study and (b) access the Oploca vein mineralization, which is located outside the proposed open pit.

2006 In 2006, we announced the completion of the update of the feasibility study and proven and probable reserves for the Pirquitas Project as described below and announced our decision to proceed with the development of the Pirquitas mine. We also continued with the underground ramp to, and accessed, the Oploca vein mineralization.

2007-2008 We completed the majority of detailed engineering required to construct the Pirquitas mine, and during 2008, we constructed a substantial portion of the Pirquitas mine. The underground ramp to the Oploca vein was placed on care and maintenance prior to commencing construction of the Pirquitas mine.



Geology and Mineralization

Geology in northwestern Argentina is divided into three subparallel north by northeasterly-oriented structural belts: the Sub-Andean Range, the Eastern Cordillera, and the Puna, in which Pirquitas is located. These belts are defined by differences in mineral deposits, tectonic activity, and rock types.

The Sub-Andean Range is approximately 110 kilometers wide, with elevations ranging from 300 to 2,500 meters. This belt is mostly void of known mineral deposits, and is characterized by thick sequences of sedimentary rocks that have large open folds. The rocks range from Proterozoic to Recent, have no sign of volcanic activity and very little intrusive activity.

The Eastern Cordillera is 70 to 130 kilometers wide, with elevations ranging from 1,300 to 6,200 meters. Mineral deposits are mostly base metals. This belt contains granites intruding sedimentary rocks. Regional high angle reverse faulting and associated uplift are present, separating it from the Sub-Andean Range to the east.

The Puna is 90 to 240 kilometers wide, with elevations ranging from 3,900 to 6,700 meters. Mineral deposits are dominated by base and precious metals but sulfur and borax deposits also exist. Proterozoic rocks are dominant and include interbedded sandstone and shale. Pirquitas' mineralization is located in the latter unit.

Mineralization is controlled by the dominant structural fabric and, to a lesser extent, by the permeability and porosity characteristics of the host rocks. Silver, tin, and zinc are spatially associated in a broad sense, but locally, the relationship is tenuous; there are veinlets with only one, all three, or any combination of the three metals. There are also veinlets devoid of any silver, tin, and zinc.

There appear to be three principal styles of mineralization: low-grade disseminated/weak, discontinuous stockwork, sheeted zones of microveinlets, and veins/veinlets. The broad, low-grade halo of silver mineralization is centered on San Miguel, but in general, also encompasses the Potosí vein. Isolated, discontinuous zones of higher-grade micro-stockwork sporadically occur within this broad halo of low-grade mineralization.

The tin mineralization includes a poorly defined, broad, low-grade zone of mineralization with very tight, narrow zones of higher grade veinlets and veins, similar to the silver mineralization. In the central core of the deposit these higher-grade zones exhibit good continuity and correlate well through the deposit.

Zinc mineralization has an inverted bowl-shaped geometry with a weakly to unmineralized core. Higher-grade zones also seem to trend east-southeast, but these merge into broad zones toward the west end of San Miguel. These broad zones of higher-grade mineralization are open-ended. Underground, veinlet mineralization occurs in a similar fashion to the silver and tin, but high-grade zinc is not confined to the narrow veinlets.

Feasibility Study Update

In a report dated April 28, 2006, as amended May 9, 2006, prepared by Hatch Ltd., in conjunction with Mine Development Associates, Inc., and in accordance with the standards of Canadian National Instrument 43-101 (together, the "2006 Report"), the Pirquitas Project was estimated to have proven and probable reserves of 107.1 million ounces of silver, based on a silver price of US\$5.35 per ounce, a tin price of US\$2.75 per pound and a zinc price of US\$0.42 per pound. The 2006 Report estimated project production of an average of 9.6 million ounces of silver per year over an 8.8-year mine life. Project

capital costs over the operating life of the project were estimated to be US\$146 million. The 2006 Report estimated it would take 21-24 months to construct the Pirquitas Project.

Production Decision and Project Update

In October 2006, we made the decision to proceed with production at the Pirquitas Project. Techint Compania Tecnica Internacional Saci (“Techint”) was awarded the engineering, procurement and construction management contract (the “EPCM Contract”) for the project. Under the terms of the EPCM Contract, we agreed to pay Techint a fixed amount and all recoverable costs incurred in respect of engineering, procuring and construction managing the construction of the Pirquitas Project. In addition, if the cost to construct the Pirquitas Project is less than an amount we have agreed to with Techint, we have agreed to share a portion of the savings with Techint.

Based on detailed engineering work undertaken by Techint, in November 2007, the capital cost to complete construction of the project was estimated to be US\$220 million. We also updated the reserve estimate in November 2007 for the Pirquitas Project using a silver price of US\$9.35 per ounce, a tin price of US\$3.65 per pound and a zinc price of US\$1.00 per pound. The updated reserve estimate used the same mine plan and pit shell as the 2006 Report and factored in the updated capital cost estimate of US\$220 million for the project. In May 2008, we announced a further reserve update for the Pirquitas Project, based on metal prices of US\$11.00 per ounce of silver, US\$5.00 per pound of tin and US\$1.05 per pound of zinc. The 2008 reserve estimate incorporated additional drill results and was based on a new whittle pit using total operating costs of \$22 per tonne net smelter returns. In February 2009, the capital cost to complete construction of the mine was estimated to be US\$230 million.

Based on the detailed engineering work undertaken by Techint under the direction of our operations and construction personnel and the reserve estimate completed by our geological and engineering personnel, the Pirquitas Project is being developed as a conventional open pit, truck and shovel mining operation at a mining rate of 6,000 tonnes per day of ore over an expected mine life of 14.5 years. A simple and conventional process plant using crushing, grinding, flotation, thickening and filtration unit operations is under construction and is expected to be completed in the first half of 2009. When completed, the process plant will process the mined ore into silver, tin and zinc concentrates. Proven and probable reserves were used for the mine plan and to define the ultimate limits of the open-pit for the economic analysis.

Permitting

Most of the major permits and approvals required to commence the construction and operation of the mine were obtained by Sunshine Argentina Inc. prior to our acquisition of Sunshine Argentina Inc. The most significant of these permits and approvals are the approval of the environmental impact study, the water usage permit and the mining permit. Since our acquisition of the project, we have moved forward with permitting and acquired the blasting permit and a number of minor permits required to construct and operate the mine, including the sewage system and potable water system permits. In December 2008, our amended environmental impact study was approved. With the granting of the approval of the amended environmental impact study, we now have all of the major permits required to construct and operate the Pirquitas Project.

Following our acquisition of the Pirquitas Project, the major change we made to the plan for the construction of the Pirquitas Project related to power generation. In order to generate electricity to operate the mine, we constructed a gas pipeline to supply gas to electrical generation equipment on site (as opposed to diesel power generation as envisioned by Sunshine Argentina Inc.). The pipeline connects to the existing NorAndino pipeline that runs across the northern part of Argentina to Chile approximately 36 kilometers south of the Pirquitas Project. The environmental impact study for the gas pipeline and all

permits required for the construction and operation of the gas pipeline have been issued. The gas pipeline has been constructed and the power generation equipment is being commissioned.

Development Status

Open pit mining operations have matured and are operating on a 24 hour per day basis removing waste and stockpiling ore. The power plant and process facility are being commissioned. As silver and tin concentrates account for a substantial portion of the anticipated revenue from the mine, the silver circuit will be optimized first, followed by the tin circuit. A decision to complete the zinc circuit is dependent on the results of encouraging metallurgical testwork received on increasing silver recoveries. Process equipment purchased for the zinc circuit may be better served increasing the silver recovery. Production of silver concentrate is expected to commence late in the first quarter or early in the second quarter of 2009.

The following table sets out our planned construction expenditures based on a US\$230 million capital cost estimate for the Pirquitas Project.

Item Description		Actual January 1, 2007 to December 31, 2008 (US\$ millions)	Estimated 6 months January 1 to June 30, 2009 (US\$ millions)	Project Total (US\$ millions)
Direct Costs				
	Mine	45.0	2.4	47.4
	Plant/ Tailings	91.6	28.4	120.0
Total Direct Cost		136.6	30.8	167.4
Indirect Cost		34.8	4.2	39.0
Contingency		-	-	-
Owner's Cost		22.3	1.3	23.6
TOTAL COST		193.7	36.3	\$230.0

Reserve Estimates

The following reserve estimates for the Pirquitas Project were prepared under the supervision of Paul MacRae, P.Eng., Project Manager of the Pirquitas Project, in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards.

Table No. 6
Silver Standard Resources Inc.
Pirquitas Project
Proven and Probable Reserves⁽¹⁾

	Ore (Kilo tonnes)	Silver Grade (g/t)	Tin Grade (%)	Zinc Grade (%)	Silver (Oz. in millions)
Proven	10.7	194.5	0.26	0.70	67.1
Probable	19.3	201.7	0.20	0.90	125.0
Jig Tails ⁽²⁾ (Probable)	0.4	234	0.37	0.13	3.0
Total Project Reserves	30.4	199.6	0.22	0.82	195.1

(1) Reserve estimates are based on metal prices of US\$11.00 per ounce of silver, US\$5.00 per pound of tin and US\$1.05 per pound of zinc and a new whittle pit using total operating costs of \$22 per tonne net smelter returns.

(2) The jig tails are the product of previous mining operations at the Pirquitas Project.

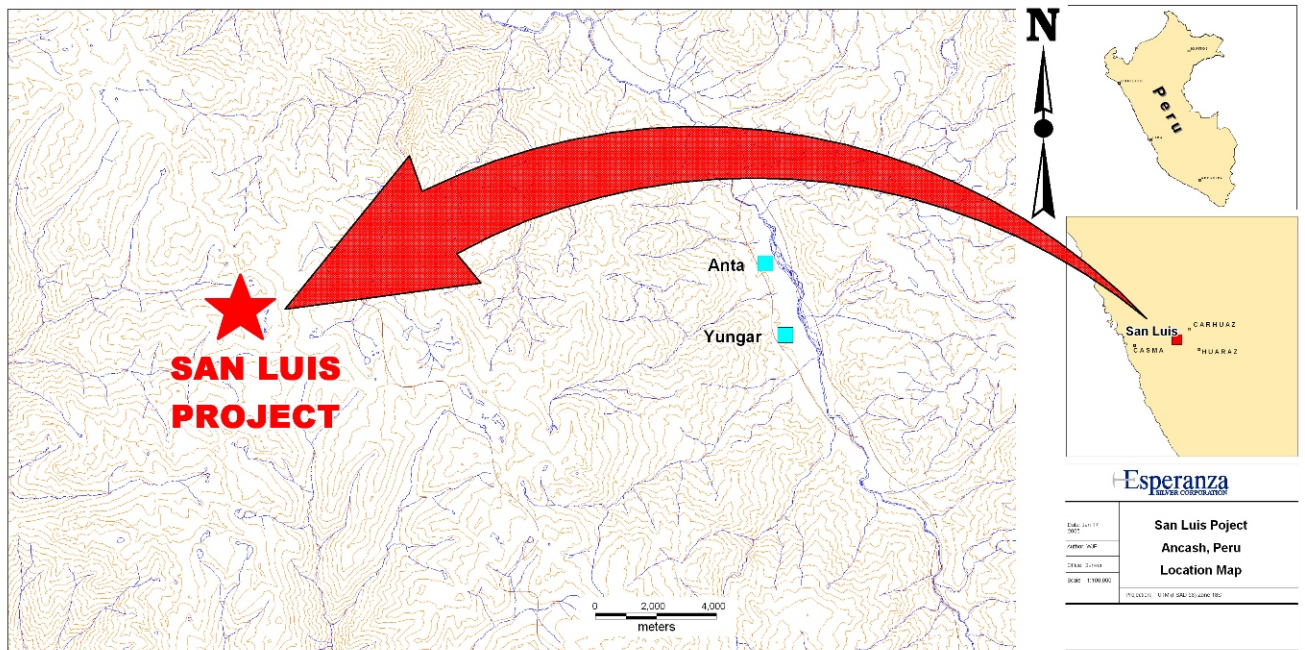
San Luis Project

Location, Access and Infrastructure

The San Luis Project in Peru is a newly discovered high-grade gold-silver project located in the Ancash Department of central Peru, approximately 25 kilometers northwest of Barrick Gold Corporation's Pierina gold mine. We currently hold a 55% interest in the project through our joint venture with Esperanza. Property elevations range from 3,800 to 4,700 meters above sea level. The project can be accessed by two all-weather roads: to the west from Casma, Peru and to the east from Huaraz, Peru. See the following San Luis Property Location Map.

Land Tenure

The San Luis Project is comprised of 40 mineral concessions covering an area of approximately 33,438 hectares. In order to maintain our rights to these concessions, we are required to pay a mining good standing fee in the aggregate of US\$100,315 in respect of each concession to the government of Peru.



History

The veins that form the San Luis Project were discovered in mid-2005 by an Esperanza field crew carrying out an evaluation program under the evaluation agreement between Esperanza and Silver Standard. Following the discovery in mid-2005, Esperanza, as operator of the San Luis Joint Venture, completed channel sampling of the Ayelén vein, one of the five veins that comprise the project. Channel samples were spaced approximately every 82 feet (25 meters) along the strike length of the Ayelén vein. Based on the results of the channel samples, a diamond drill program was commenced by Esperanza in late 2006. Diamond drilling utilizes a type of rotary drill in which the cutting is done by abrasion using diamonds embedded in a matrix with the drill cutting a core of rock which is recovered in long cylindrical sections. Diamond drilling provides a greater degree of information than reverse circulation drilling about the geology of a potential mineral deposit. Reverse circulation drilling utilizes a rotary percussion drill in which the drilling mud and cuttings return to the surface through the drill pipe.

On April 1, 2007, we assumed the role of operator for the San Luis Joint Venture and continued with the diamond drill program. During 2006, 2007 and 2008, the joint venture completed 33,600 meters of diamond drilling in 154 holes.

Geology and Mineralization

At the San Luis Project, gold and silver veins are hosted within Tertiary-age volcanic rocks. Five separate veins have been identified so far with a cumulative strike length of over 5,000 meters. The veins range from several hundreds of meters to over 2,000 meters in length and up to 10 meters or more wide.

Mineralization within the veins is typical of classic quartz-adularia or low-sulfidation epithermal systems. Vein textures such as well developed banding and brecciation indicate that repeated episodes of gold and silver deposition have occurred in the veins. Early investigations at the San Luis Project suggest that concentrations of precious metals will likely form ore shoots within the veins.

Status

As a result of the gold and silver grades encountered to date, we have initiated a feasibility study for the development of the project, which is expected to be completed in the first half of 2009. We have also initiated negotiations with the local community for a long-term, land use agreement. On completion of the feasibility study and negotiation of the land use agreement, we plan on commencing underground exploration and development of the Ayelén vein.

Resource Estimates

As of the date of this report, the San Luis Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

Michael Lechner of Resource Modeling, Inc. of Tucson, Arizona and Donald Earnest of Resource Evaluations, Inc. of Tucson, Arizona completed the following resource estimate for the San Luis Project in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards, in a report dated January 9, 2009.

Cautionary Note to U.S. Investors concerning estimates of Measured Mineral Resources.

Table No. 7 below uses the term “Measured Mineral Resource.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 7
Silver Standard Resources Inc.
San Luis Project
Measured Mineral Resource Estimate
(6 g/t Gold-equivalent - Cutoff Grade)

Classification	Tonnes	Silver Grade (g/t)	Gold Grade (g/t)
Measured	55,000	757.6	34.3

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 8 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 8
Silver Standard Resources Inc.
San Luis Project
Indicated Mineral Resource Estimate
(6 g/t Gold-equivalent - Cutoff Grade)

Classification	Tonnes	Silver Grade (g/t)	Gold Grade (g/t)
Indicated	429,000	555.0	20.8

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 9 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 9
Silver Standard Resources Inc.
San Luis Project
Inferred Mineral Resource Estimate
(6 g/t Gold-equivalent - Cutoff Grade)

Classification	Tonnes	Silver Grade (g/t)	Gold Grade (g/t)
Inferred	20,000	270.1	5.6

Pitarrilla Project

Location, Access and Infrastructure

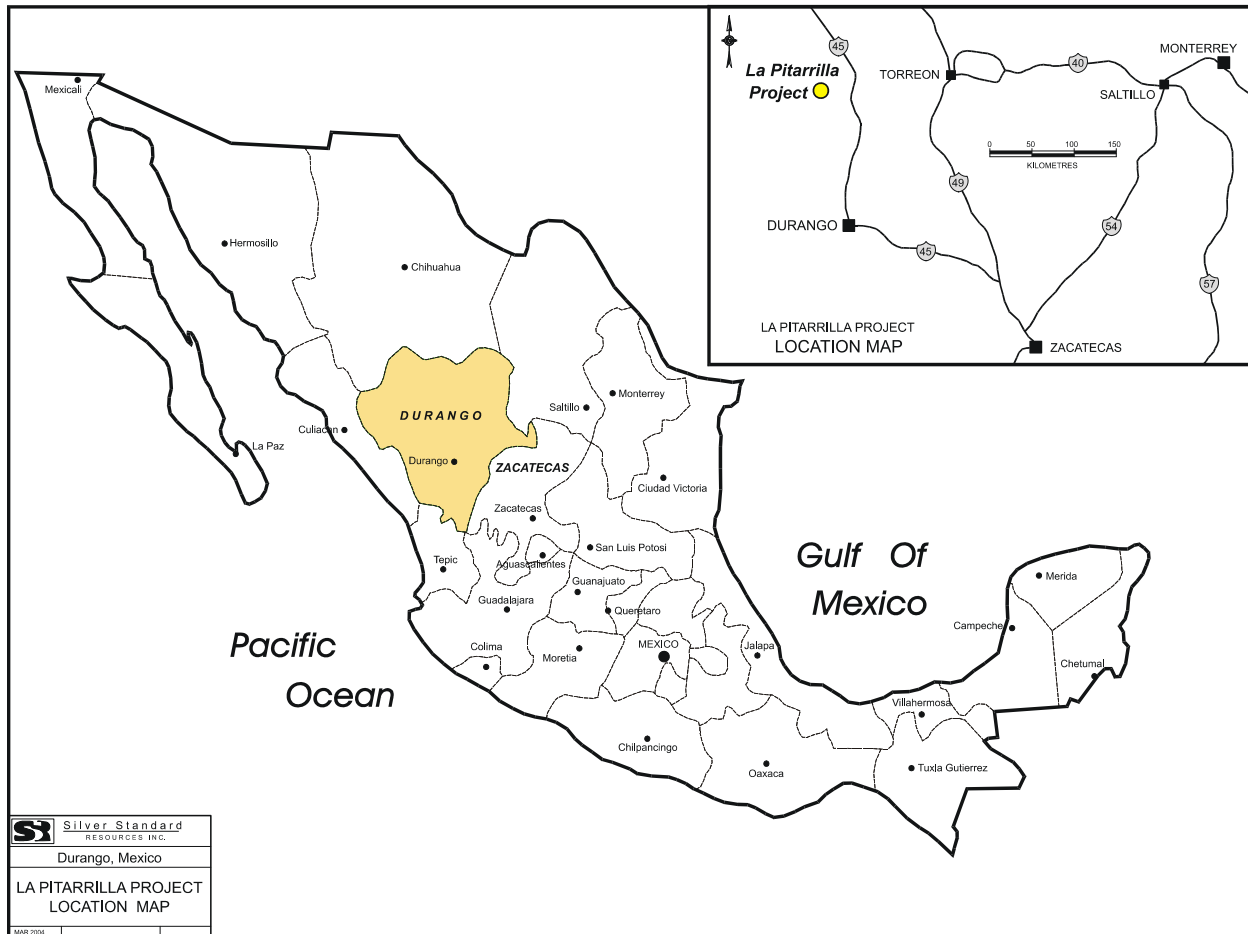
Our wholly-owned Pitarrilla Project is located in the northern part of the State of Durango, Mexico, approximately 150 kilometers north of Durango City. The property can be accessed from several all-weather roads. Electrical power is generated at a dam at Palmito located 30 kilometers to the north. See the following Pitarrilla Project Location Map.

Land Tenure

The Pitarrilla Project is comprised of nine mineral claims covering an area of approximately 128,537 hectares and an application has been filed for an additional claim covering an area of approximately 39,200 hectares. In order to maintain our rights to these concessions, we are required to pay surface mining taxes to the Mexican government.

History

In the late 1990s, Monarch Resources Ltd. drill tested several gold anomalies on the eastern flank of Cerro Pitarrilla. We acquired the property by staking in late 2002 and shortly thereafter undertook two programs of mapping and prospecting. This work located the three known zones of silver mineralization (Cordon Colorado, Peña Dyke and Javelina Creek), and subsequent programs located two additional zones of silver mineralization (Breccia Ridge and South Ridge). As of February 28, 2009, a total of 186 reverse circulation drill holes totalling approximately 20,600 meters have been completed and a total of 365 diamond drill holes totalling approximately 185,700 meters have been completed. The greater the number of drill holes and closer the spacing between holes, the greater the knowledge of the mineral deposit. In addition, we have commenced development of an underground ramp to access a zone of higher grade mineralization at the Breccia Ridge zone.



Geology and Mineralization

The silver mineralization at the Cordon Colorado and Peña Dyke zones is localized in a porphyry sill. The silver mineralization at the other three known zones, Javelina Creek, Breccia Ridge and South Ridge, is hosted by a combination of brecciated volcanic rocks and porphyry sills. At Breccia Ridge and South Ridge, the silver mineralization is locally associated with significant values of zinc and to a lesser extent with lead. All areas of mineralization formed as part of a large volcanic complex measuring two and one-half kilometers by four kilometers.

Status

We have initiated an underground exploration program to access a higher grade area of mineralization encountered at the Breccia Ridge Zone. A prefeasibility study has commenced to estimate the project economics of developing this higher grade zone.

Resource Estimates

As of the date of this report, the Pitarrilla Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

P&E Mining Consultants Inc. of Brampton, Ontario completed the following resource estimate for the Pitarrilla Project in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards dated August 3, 2008.

Cautionary Note to U.S. Investors concerning estimates of Measured Mineral Resources.

Table No. 10 below uses the term “Measured Mineral Resource.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 10
Silver Standard Resources Inc.
Pitarrilla Project
Measured Mineral Resource Estimate
(Cutoff Grade ⁽¹⁾)

Classification	Tonnes (millions)	Silver Grade (g/t)
Measured	45.7	108.9

(1) A Cut-off grade of 20 grams of silver-equivalent per tonne for open pit resources and a cut-off grade of 65 grams of silver-equivalent per tonne for underground resources for Breccia Ridge Silver-equivalent grades were calculated using US\$11/oz silver, US\$1.05/lb lead and US\$2/lb Copper. The cut-off grade for all other zones at Pitarrilla is 40 grams of silver per tonne.

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 11 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 11
Silver Standard Resources Inc.
Pitarrilla Project
Indicated Mineral Resource Estimate
(Cutoff Grade ⁽¹⁾)

Classification	Tonnes (millions)	Silver Grade (g/t)
Indicated	189.7	79.3

(1) A Cut-off grade of 20 grams of silver-equivalent per tonne for open pit resources and a cut-off grade of 65 grams of silver-equivalent per tonne for underground resources for Breccia Ridge Silver-equivalent grades were calculated using US\$11/oz silver, US\$1.05/lb lead and US\$2/lb Copper. The cut-off grade for all other zones at Pitarrilla is 40 grams of silver per tonne.

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 12 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 12
Silver Standard Resources Inc.
Pitarrilla Project
Inferred Mineral Resource Estimate
(Cutoff Grade ⁽¹⁾)

Classification	Tonnes (millions)	Silver Grade (g/t)
Inferred	36.1	70.8

(1) A Cut-off grade of 20 grams of silver-equivalent per tonne for open pit resources and a cut-off grade of 65 grams of silver-equivalent per tonne for underground resources for Breccia Ridge Silver-equivalent grades were calculated using US\$11/oz silver, US\$1.05/lb lead and US\$2/lb Copper. The cut-off grade for all other zones at Pitarrilla is 40 grams of silver per tonne.

Snowfield Project

Location, Access and Infrastructure

Our wholly-owned Snowfield Project is located 65 kilometers north-northwest of Stewart, British Columbia along the eastern limit of the Coast Mountain Range. The simplest access to the project is via

Stewart or Bell II, British Columbia by helicopter. The trip is approximately 30 minutes from Stewart and slightly less from Bell II by helicopter, but Stewart has an established year-round helicopter base. Heavy equipment, fuel and camp provisions can be driven along a gravel road in good condition to the Granduc staging site (north-northwest of Stewart) and then flown to Snowfield cutting the helicopter flight time from Stewart in half. See the following Snowfield Project Location Map. The project is adjacent to Seabridge Gold Inc.'s Mitchell Deposit.

Land Tenure

The project consists of one claim totaling 1267.4 hectares (4.89 square miles) and spans 3.3 kilometers north-south and 4.2 kilometers east-west. The claims are in good standing until 2017 and, thereafter, can be maintained in good standing by carrying out additional work on the property or paying a fee to the Government of British Columbia.

History

The following is a chronological description of mineral exploration on the Snowfield Project:

1933 - 1959 The earliest documented work consisted of drilling for placer gold in Sulphurets Creek in or around 1933 followed by the discovery of several small copper and gold-silver occurrences in the Sulphurets-Mitchell Creek and Brucejack Lake area between 1935 and 1959.

1960-1980 Reconnaissance prospecting, mapping and rock sampling was completed on a regional scale over the entire Sulphurets area, which resulted in the discovery of several copper-molybdenum and copper-gold porphyry targets as well as gold-silver vein targets.

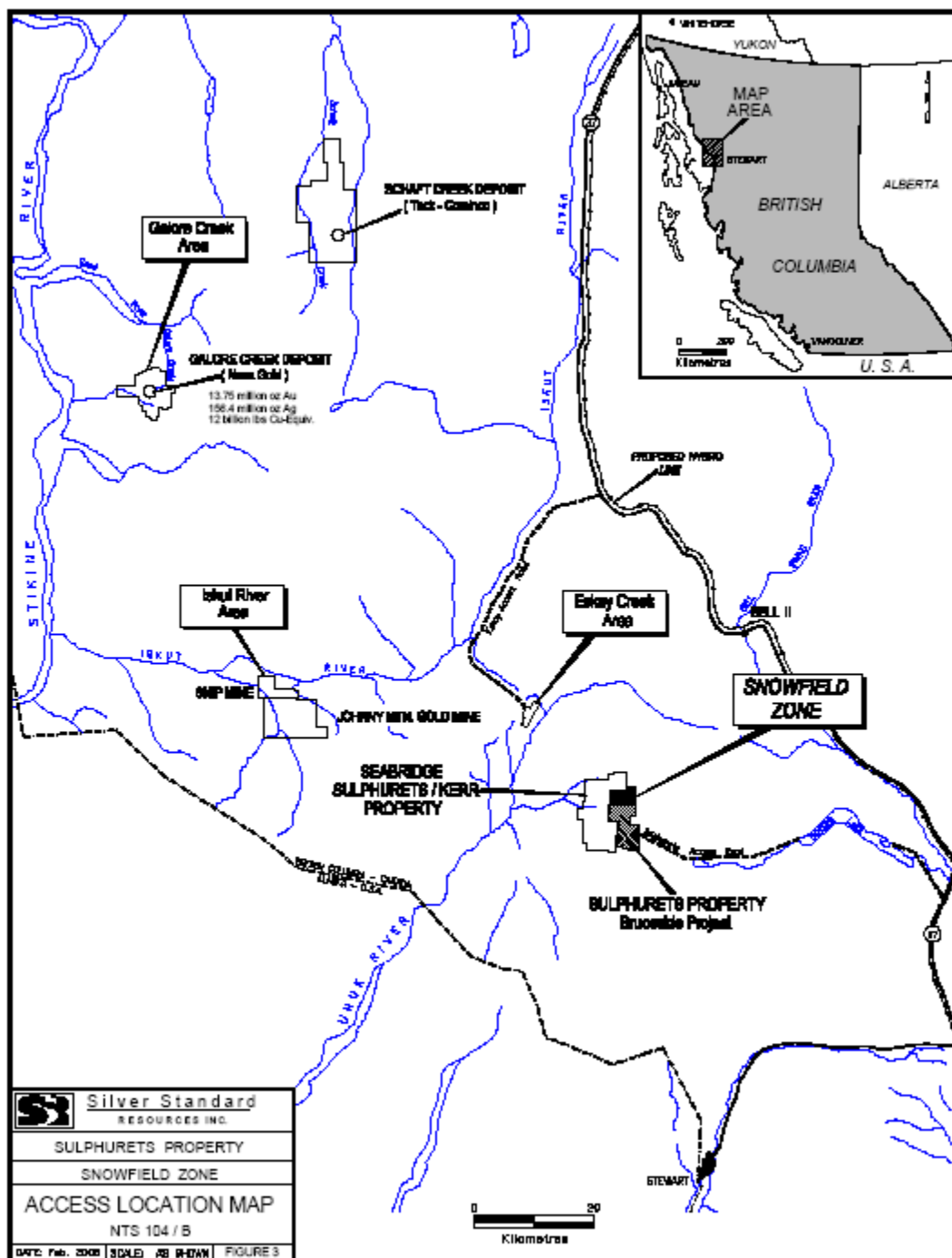
1980 – 1985 Detailed mapping, trenching and rock geochemical sampling led to the discovery of the Snowfield, Quartz Stockwork and Moly Zones.

1985 - 1999 Five diamond drill holes totaling 740 meters were completed on the Snowfield Zone, in 1985 which all bottomed in mineralization. Preliminary metallurgical testing was also carried out on the drill core. A further 1,514 meters of drilling was completed at Snowfield between 1991 and 1993.

1999 - 2008 We acquired the project in 1999, and from 2006 through 2008 completed diamond drill programs consisting of 87 drill holes totaling 31,700 meters of drilling. The drill programs have been successful in outlining a significant gold resource.

Geology and Mineralization

The Snowfield Project is predominately underlain by volcanic rocks, which form the host rocks for the gold mineralization. Pervasive alteration minerals include: chlorite, sericite, quartz and pyrite. The entire sequence of rocks appears to be cut by dykes and sills.



Status

Based on results from the 2008 drill program, we have reserved five drills for a drill program scheduled to be underway in the third quarter of 2009. The drill program will focus on increasing the confidence level of the inferred resources to indicated resources and expanding the mineralization at the Snowfield zone.

Resource Estimate

As of the date of this report, the Snowfield Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

P&E Mining Consultants Inc. of Brampton, Ontario completed the following resource estimate for the Snowfield Project in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards, in a report dated January 31, 2009.

Cautionary Note to U.S. Investors concerning estimates of Measured Mineral Resources.

Table No. 13 below uses the term "Measured Mineral Resource." We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

**Table No. 13
Silver Standard Resources Inc.
Snowfield Project
Measured Mineral Resource Estimate
(0.5 g/t Gold Cutoff Grade)**

Classification	Tonnes (millions)	Gold Grade (g/t)
Measured	31.9	1.49

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 14 below uses the term "Indicated Mineral Resource." We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

**Table No. 14
Silver Standard Resources Inc.
Snowfield Project
Indicated Mineral Resource Estimate
(0.5 g/t Gold Cutoff Grade)**

Classification	Tonnes (millions)	Gold Grade (g/t)
Indicated	102.8	0.86

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 15 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 15
Silver Standard Resources Inc.
Snowfield Project
Inferred Mineral Resource Estimate
(0.5 g/t Gold Cutoff Grade)

Classification	Tonnes (thousands)	Gold Grade (g/t)
Inferred	661.8	0.67

Diablillos Project

Location, Access and Infrastructure

Our wholly-owned Diablillos Project is located 160 kilometers southwest of Salta on the altiplano of northern Argentina. The property is road accessible and is approximately 275 kilometers south of the Pirquitas Project. See the following Diablillos Project Location Map.

Land Tenure

The project consists of seven concessions totalling 13.9 square miles (3,600 hectares) and is accessible by gravel road. In order to maintain our rights to these concessions, we are required to make “canon” payments to the Argentine government.

History

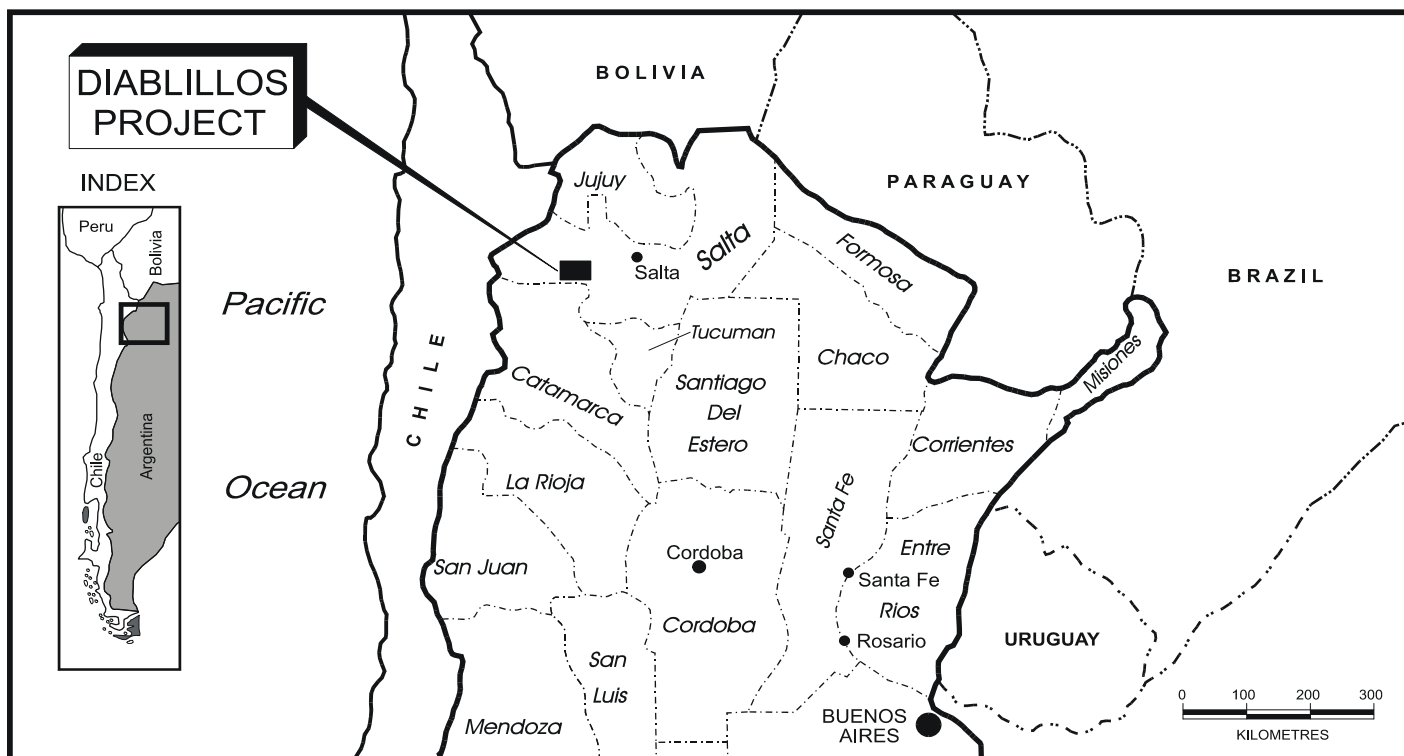
Discovered in the 1970s, the property was primarily explored from 1988 to 2001. Much of the recent work on the Oculito deposit at the Diablillos Project was completed by Barrick Gold Corporation (“Barrick”) in 1999 and 2000. The Oculito deposit was initially defined by 17 diamond drill holes totalling 3,010 meters and 79 reverse circulation holes totalling 19,114 meters. Barrick drilled altogether 24 diamond drill holes and 150 reverse circulation holes. In 2003, we drilled 20 holes totaling 3,046 meters, chiefly to test geophysical anomalies outside of the Oculito deposit and to test for continuity of several high grade trends within the zone. The peripheral drilling intersected several areas with anomalous values. The drilling within the zone confirmed continuity of the target mineral trends. During 2006, a geological review of the project in preparation for an update of the Barrick pre-feasibility study determined that the previous reverse circulation drilling may have understated the gold and silver values. As a result, an approximately 17,600 meter diamond drilling program in 107 drill holes was completed in 2007 and 2008. The drill program was designed to investigate whether drill results obtained by the previous drilling campaigns understated values and also to test a number of gold targets separate from the

Oculto Zone where a re-interpretation of the geology indicates potential for the discovery of new gold zones.

Geology and Mineralization

The silver-dominant mineralization at the Diablillos Project is hosted by a high sulphidation epithermal system in volcanic rocks. The mineralization is largely confined between two northeast-striking faults approximately 1,300 feet (400 meters) apart.

Silver mineralization in the Oculto deposit (the main area of mineralization) occurs as native silver, chlorargyrite and matildite. As mineralization is both oxide and sulphide, recoveries in heap leach tests were sufficiently low to recommend milling as the optimal method of recovery.



Status

We have engaged an independent Qualified Person as defined in Canadian National Instrument 43-101 to prepare an updated resource estimate for the Diablillos Project, which is expected to be completed in the second quarter of 2009. We have also initiated metallurgical test work to determine the leaching characteristics of the mineralization. Depending on the results of the resource estimate and metallurgical test work, we plan to complete a prefeasibility study to estimate the economics of developing the Diablillos Project.

Resource Estimate

As of the date of this report, the Diablillos Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

Mine Development Associates, Inc. of Reno, Nevada completed the following resource estimate for the Oculito deposit within the Diablillos Project in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards, in a report dated August 3, 2001.

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 16 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 16
Silver Standard Resources Inc.
Diablillos Project
Inferred Mineral Resource Estimate
(42 g/t Silver Cutoff Grade - 0.7 g/t Gold Cutoff Grade)

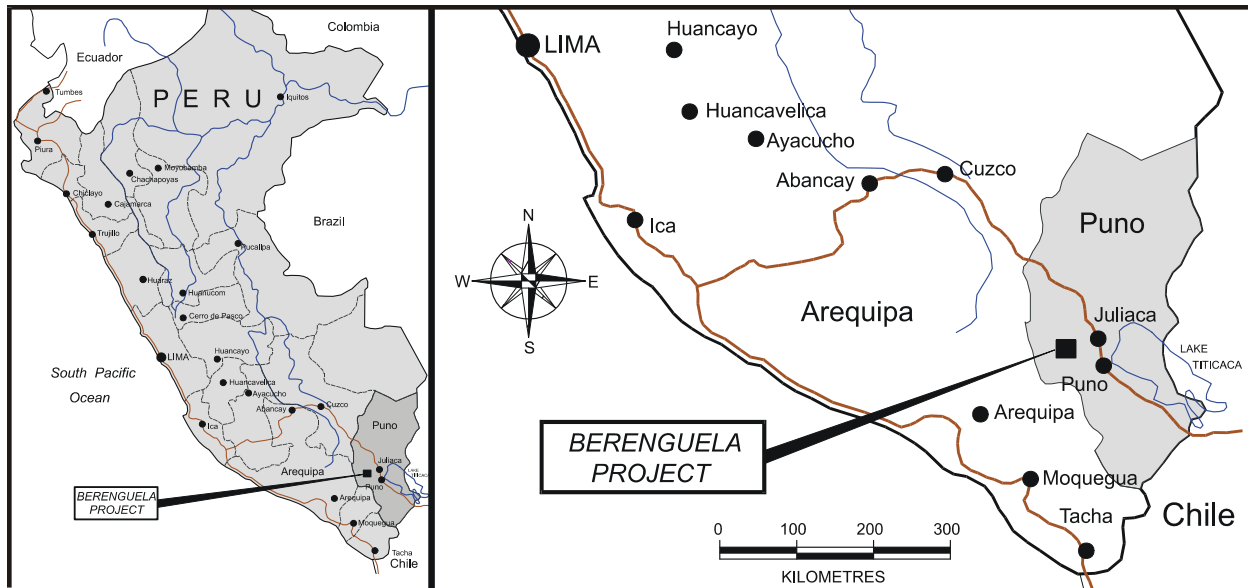
Classification	Tonnes	Silver Grade (g/t)	Gold Grade (g/t)
Inferred*	41,979,000	69.5	
Inferred*	24,883,000		1.02

* overlapping mineralized zones.

Secondary Projects

Berenguela Project

The Berenguela Project is located 5 kilometers northeast of Santa Lucia, in the Province of Lampa on the Altiplano of southern Peru and is comprised of two mining concessions covering an area of approximately 200 hectares. The project can be accessed from a major paved highway adjacent to the project, and a main-line railway passes within five kilometers of the project. See the following Berenguela Project Location Map.



The mineral deposit that comprises the Berenguela Project is hosted by limestone overlying a layer of gypsum. The limestone varies in thickness from 30 meters to 100 meters. Mineralization consists of massive replacement of the limestone by manganese dioxide minerals and variable amounts of silver and copper. The deposit is a tabular body that occurs at surface over an area of approximately 75 hectares and is accessible by underground workings and several open pits.

The project was mined continuously from 1905 to 1965 by Lampa Mining Company, of Britain, as a silver-copper mine. In the 1960s, Charter Consolidated Mining Co. and Asarco Inc. each explored the Berenguela Project. The two companies completed a total of 6,600 meters of diamond drilling and channel-sampled underground workings at 1.5-meter intervals over 5,108 meters. In 1968, Charter Consolidated developed an open pit plan and calculated a mineable ore reserve for the project. Since the completion of the mineable ore reserve estimate, no significant amount of ore has been mined from the project. The ore reserve calculated by Charter Consolidated does not comply with Canadian National Instrument 43-101 and the CIM Standards. Under Canadian National Instrument 43-101 and the CIM Standards, the mineable reserve would be classified as a mineral resource.

In the late 1960s, the Peruvian Government nationalized the Berenguela Project. SOMINBESA acquired the project from Minero-Peru (a state owned mining company) in 1995 and completed engineering studies for the development of the project. Under our option agreement, we agreed to undertake additional drilling and prepare a resource estimate for the project in accordance with Canadian National Instrument 43-101 and the CIM Standards.

In late 2004 through mid 2005, we completed a reverse circulation drill program that totaled 19,029 meters in 222 holes. The program objectives were: (1) to twin historic, wider-spaced drilling to verify the grade of mineralization, and (2) to complete sufficient additional infill drilling in two areas of mineralization on the project to determine the scope of future drilling requirements for a measured, indicated and inferred resource. We have not carried out any further exploration of the Berenguela Project since the completion of the 2004-2005 drill program.

Resource Estimates

As of the date of this report, the Berenguela Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

James A. McCrea, P. Geo., of Surrey, British Columbia completed the following resource estimate for the Berenguela Project, in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards, in a report dated October 26, 2005.

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 17 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 17
Silver Standard Resources Inc.
Berenguela Project
Indicated Mineral Resource Estimate
(50 g/t Silver Cutoff Grade – capped)

Classification	Tonnes (millions)	Silver Grade (g/t)	Copper (%)
Indicated	15.6	132.0	0.924

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

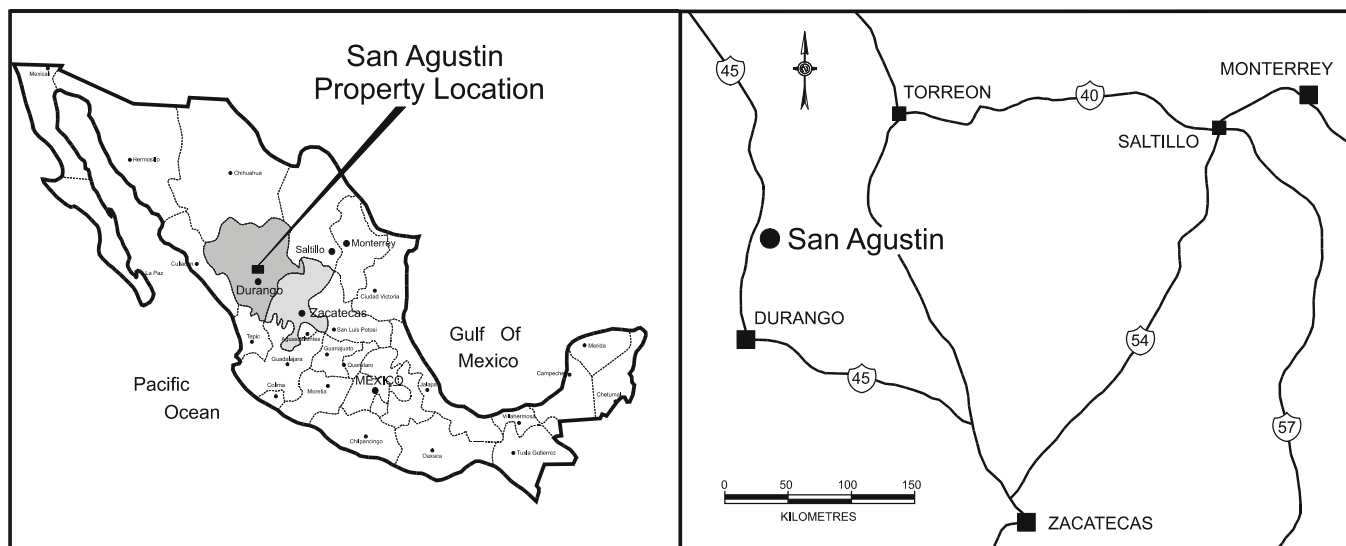
Table No. 18 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 18
Silver Standard Resources Inc.
Berenguela Project
Inferred Mineral Resource Estimate
(50 g/t Silver Cutoff Grade – capped)

Classification	Tonnes (millions)	Silver Grade (g/t)	Copper (%)
Inferred	6.0	111.7	0.74

San Agustin Property

The San Agustin Property is comprised of two mineral claims covering an area of approximately 575 hectares and is located 85 kilometers north of Durango City in the State of Durango. Infrastructure is located nearby and paved Highway 45 passes 10 kilometers east of the property. See the following San Agustin Property Location Map. In order to maintain our rights to these concessions, we are required to pay surface mining taxes to the Mexican government.



The local geology consists of a volcanic dome complex resting on fine sedimentary rocks. Blocks of the sedimentary rocks are locally separated by volcanic rocks. The entire package was structurally brecciated and mineralized with gold and silver, which outcrops at surface. Surface oxidation averages 20 meters to 30 meters in depth.

Prior to our staking the property, exploration activities were completed on the property in the 1990's consisting of mapping, soil sampling and 69 drill holes totaling 10,400 meters outlining the San Agustin gold silver mineralization. In early 2004, we completed a reverse circulation drill program, which totaled 3,890 meters in 24 holes. The results of this program, along with the prior drill holes, have been used to calculate a preliminary resource.

In 2006, Geologix carried out an exploration program on the property. In 2007 and 2008, Geologix completed a 175 hole, 40,700 meter diamond drill program in accordance with the terms of its option agreement (see Item 4.B - "Business Overview – Secondary Projects – San Agustin Property"). We have not completed any exploration work on the San Agustin Property since Geologix's option to acquire the property was terminated.

As of the date of this report, the San Agustin Property is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

James A. McCrea, P. Geo., of Surrey, British Columbia completed the following polygonal preliminary resource estimate for the San Agustin Property, in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards, in a report dated April 16, 2004.

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 33 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 33
Silver Standard Resources Inc.
San Agustin Property
Preliminary Inferred Mineral Resource Estimate
(0.5 g/t Gold Cutoff Grade)

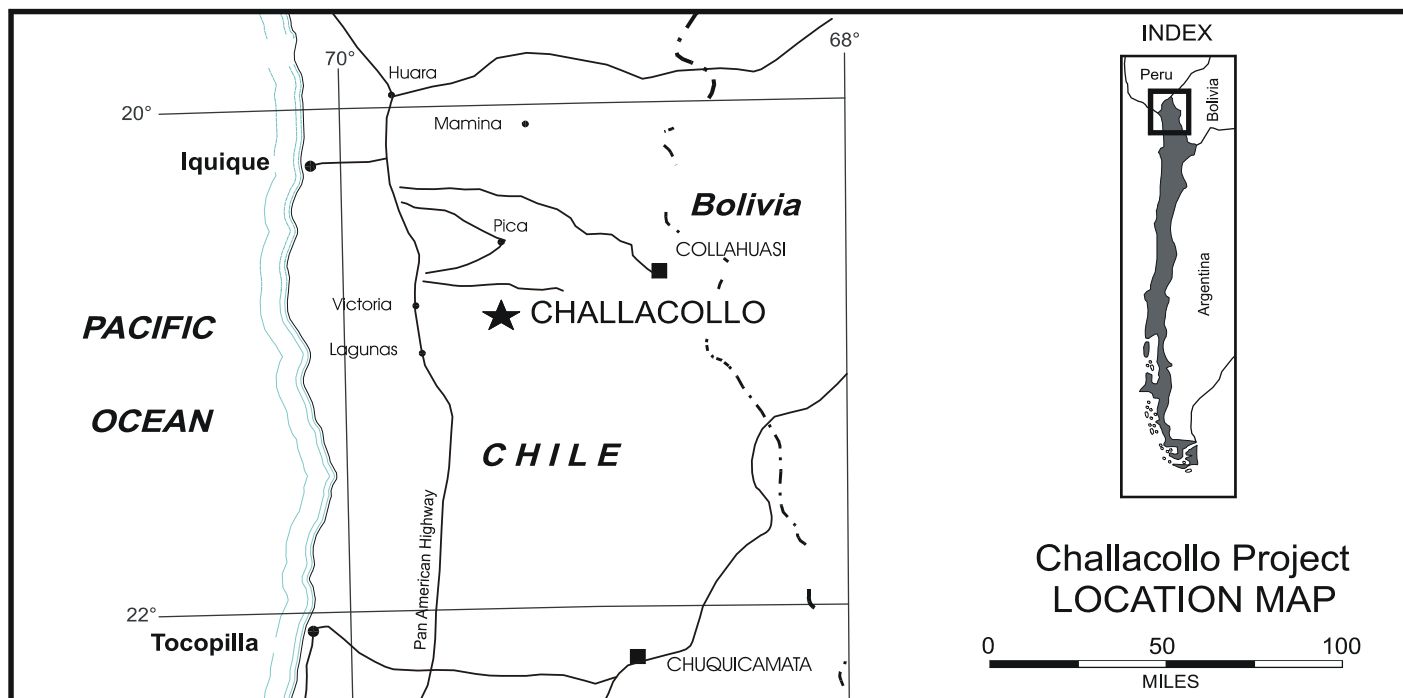
Classification	Tonnes (millions)	Gold Grade (g/t)	Silver Grade (g/t)
Inferred	11.2	0.96	12.86

Challacollo Project

Our wholly-owned Challacollo Project is located 130 kilometers southeast of the port of Iquique and 15 kilometers east of the Pan American Highway at an elevation of 4,900 feet (1,500 meters) above sea level in the Region of Tarapaca (Region One) in northern Chile and covers an area of approximately 14.5 square miles (37.5 square kilometers). The project can be accessed by a dirt road off of the Pan American Highway. In order to maintain our rights to the concessions that comprise the project, we are required to pay annual patentos (taxes) to the Chilean government. See the following Challacollo Project Location Map.

The Challacollo Project consists of four main north-south trending veins. The principal vein, Lolon, is 2,000 meters in length and has historically been prospected and developed along 700 meters. Mineralization is hosted in a dominant quartz-rich zone that averages up to 13 meters in width and crosscuts volcanic rocks. During the 1990s, 22 holes, along with significant underground sampling, were undertaken by various exploration groups.

In late 2001 and early 2002, we completed an extensive sampling program of the underground workings at 25 meter intervals comprised of over 1,000 samples and a seven-hole, 746-meter drill program which tested approximately 600 meters of strike length of the Lolon vein that extends on surface for 2,000 meters. In 2003, a 5,685-meter drill program of infill and step out drilling was completed and a resource estimate for the project was prepared in accordance with Canadian National Instrument 43-101 and the CIM Standards. In 2007, we completed a 37 hole, 7,986 meter reverse circulation drill program to test for known veins and porphyry mineralization.



As of the date of this report, the Challacollo Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

We completed an updated polygonal estimate of the resources for the Challacollo Project in July 2003, which included the results of the 2001 and 2002 underground sampling and drill programs and the 2003 drill program. The resource estimate is based on a cut-off of 50 g/t of silver and was prepared in accordance with Canadian National Instrument 43-101 and the CIM Standards. Sundance Ventures reviewed and confirmed our classification of Indicated and Inferred Mineral Resources for the Challacollo Project, in a report dated September 17, 2003.

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 19 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such terms are recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 19
Silver Standard Resources Inc.
Challacollo Project
Silver Standard Indicated Mineral Resource Estimate with Sundance Review
(50 g/t Silver Cutoff Grade)

Classification	Tonnes	Silver Grade (g/t)
Indicated	3,390,000	170.6

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

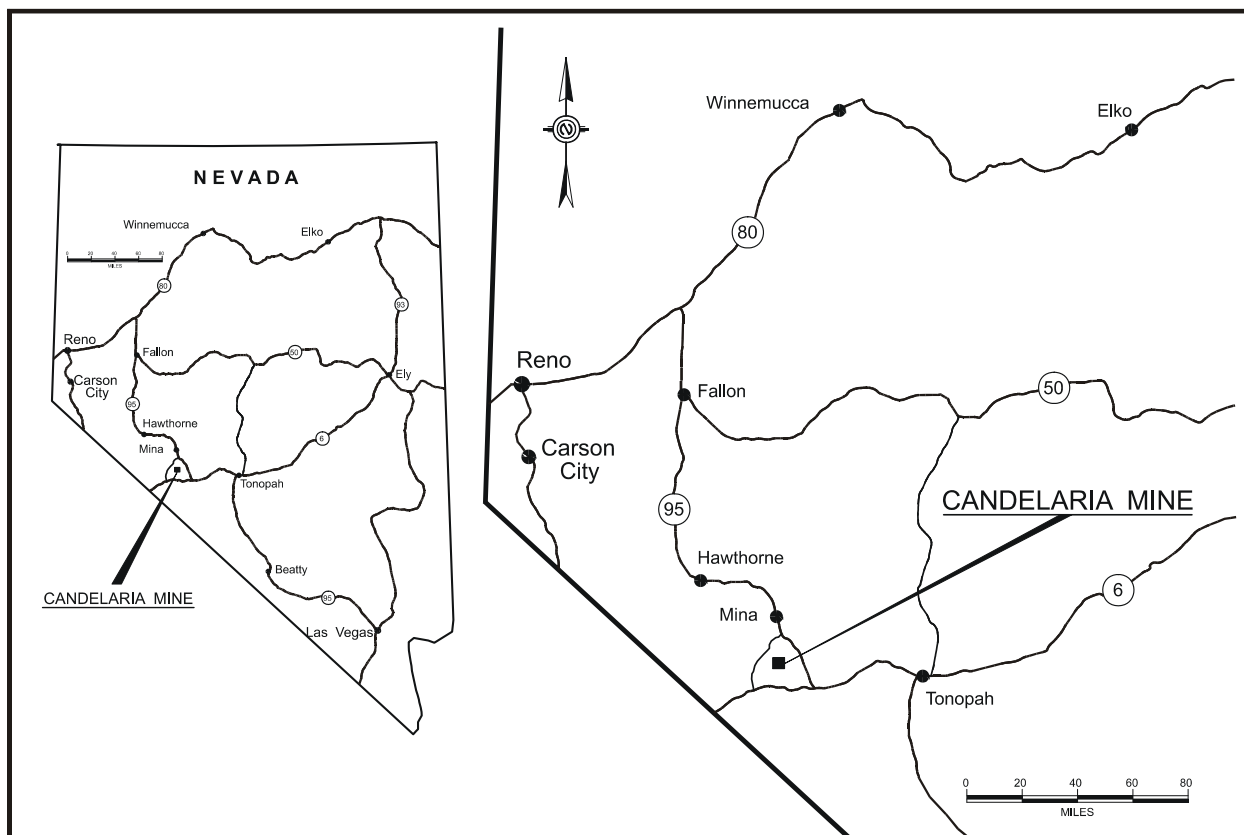
Table No. 20 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 20
Silver Standard Resources Inc.
Challacollo Project
Silver Standard Inferred Mineral Resource Estimate with Sundance Review
(50 g/t Silver Cutoff Grade)

Classification	Tonnes	Silver Grade (g/t)
Inferred	4,569,000	160.7

Candelaria Mine Project

Our wholly-owned Candelaria Mine Project is located in the Candelaria Hills in west central Nevada approximately 55 miles south of Hawthorne, Nevada and approximately five miles west of Highway 95, which connects Reno, Nevada to Las Vegas, Nevada. Access to the property is by paved road from Highway 95. The mine site is connected to the local power grid and has water wells and pumping equipment in place. See the following Candelaria Mine Project Location Map.



The Candelaria District developed into the richest silver district in the State of Nevada, following discovery of high grade veins in 1864. From then until 1954, the property produced 22 million ounces of silver. The property was acquired by Occidental Minerals and later Nerco Minerals, who built a processing facility and operated the mine from 1980 until 1989. During that time they produced over 33 million ounces of silver. Kinross Candelaria Mining Company, an indirect wholly-owned subsidiary of Kinross Gold, purchased the Candelaria mine in 1994 and operated the mine until January 1999. Kinross produced over 13 million ounces of silver, bringing the total historical production for the property to over 68 million ounces of silver.

Mineralization within the district is confined to the Candelaria Shear. High grade veins form along contacts of intrusive dikes within the host volcanics. Lower grade, bulk tonnage mineralization extends as a halo from the veins into the surrounding shear zone. The main ore bodies vary in width from 80 to 120 feet averaging 3.5 to 4.1 ounces of silver per ton.

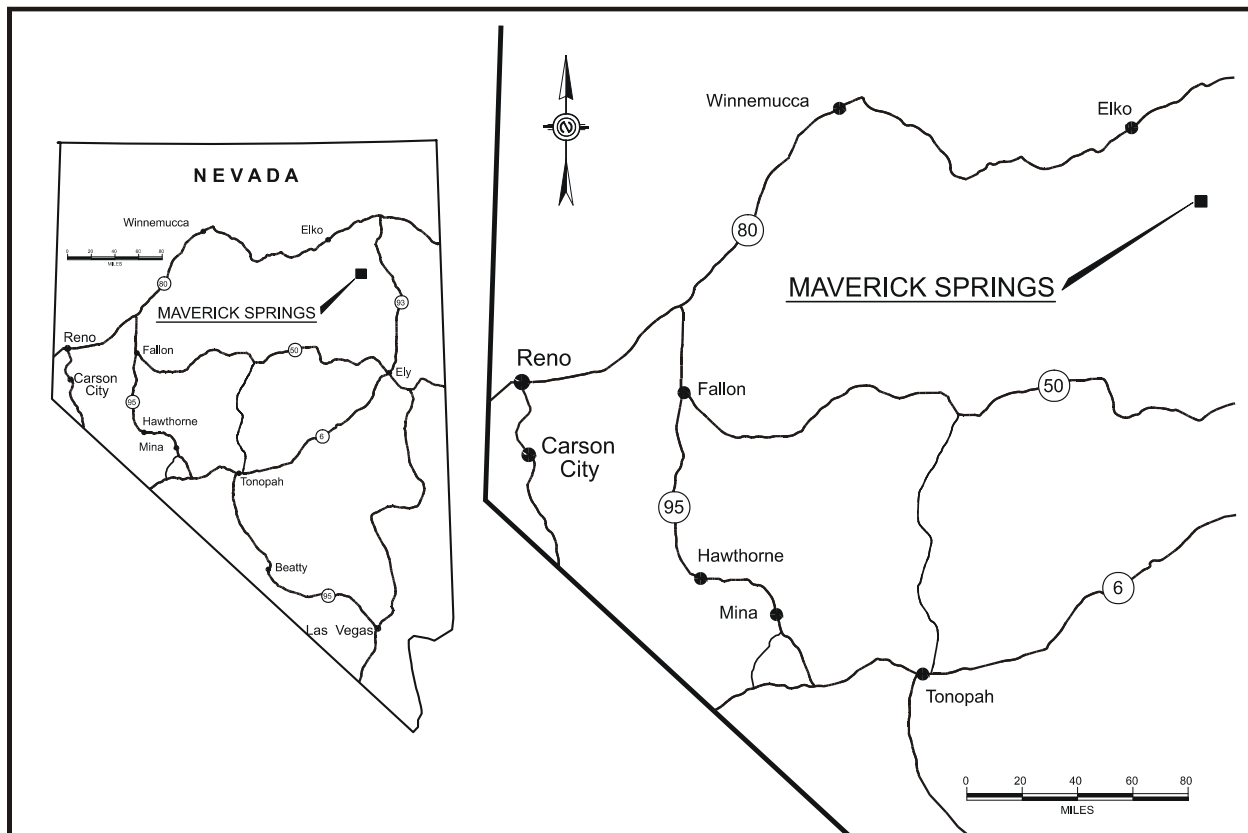
Reclamation of the Candelaria mine has been ongoing for the past several years. The mine dumps have been recontoured and re-seeded, and both of the heap leach piles have been rinsed with fresh water and re-seeded. Kinross completed re-contouring and re-seeding of the leach ponds in the first quarter of 2002. We have completed an environmental audit of the mine. The environmental audit did not identify any significant environmental issues and confirmed that the substantial amount of reclamation work completed to date met all state and federal guidelines. See Item 4.B - "Business Overview – Secondary Projects – Candelaria Mine Project".

As of the date of this report, the Candelaria Mine Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

Maverick Springs Project

The Maverick Springs Project is located approximately half-way between Elko and Ely, Nevada and covers approximately 3,970 acres within the prospective region of gold/silver mineralization known as the Carlin Trend. We hold a 55% interest in the Maverick Springs Project. The project can be accessed year-round by fifteen miles of gravel road from the Ruby Lakes National Wildlife Refuge, located west of the Maverick Springs Project. See the following Maverick Springs Project Location Map. The Carlin Trend is thought to mark a deep penetrating fault that separates relatively thick and stable continental crust to the east from a zone of thinned transitional crust to the west.

The Maverick Springs Project is underlain primarily by sediments covered by local basin-fill volcanic rocks. Limestones and sediments are the dominant hosts to the silver-gold mineralization at the Maverick Springs Project. The mineralization does not outcrop and has been delineated by programs of reverse circulation and diamond core drill holes. The mineralization trends north-northeast and occurs as a gently-folded sub-horizontal zone, of dimensions of approximately 8,000 feet in length and 2,500 feet wide. The zone of mineralization is approximately 200 feet thick and occurs at depths of 500 feet to 600 feet below surface.



Prior to Vista and VNC acquiring the option on the property from Newmont, geological mapping, soil and stream geochemical surveys, and a substantial amount of drilling were carried out on the property. A total of 130 drill holes were completed during this period, of which 37 were shallow conventional rotary or percussion holes, 39 were reverse circulation holes, and 54 were diamond core holes. Following the acquisition of the option from Newmont, Vista completed a wide-spaced seven hole reverse circulation drill program to test for continuation of the previously identified mineralized zone. In 2003 and 2004, Vista completed an additional 16 and 13, respectively, reverse circulation holes to further test for the

continuation of mineralization. In 2006, an 18-hole, 16,035 foot reverse circulation drill program encountered additional silver mineralization at the north end of the mineralized zone. In 2008, we assumed the role of operator under the joint venture and completed a 5 hole, 5,330 foot reverse circulation drill program.

As of the date of this report, the Maverick Springs Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

Snowden Mining Industry Consultants of Vancouver, British Columbia completed the following resource estimate for the Maverick Springs Project in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards, in a report dated April 13, 2004.

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 21 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such terms are recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 21
Silver Standard Resources Inc.
Maverick Springs Project
Indicated Mineral Resource Estimate
(1 oz/ton Silver-Equivalent Cutoff Grade)

Classification	Tons (millions)	Silver Grade (oz/ton)	Gold Grade (oz/ton)
Indicated	69.63	1.0	0.010

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 22 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 22
Silver Standard Resources Inc.
Maverick Springs Project
Inferred Mineral Resource Estimate
(1 oz/ton Silver-Equivalent Cutoff Grade)

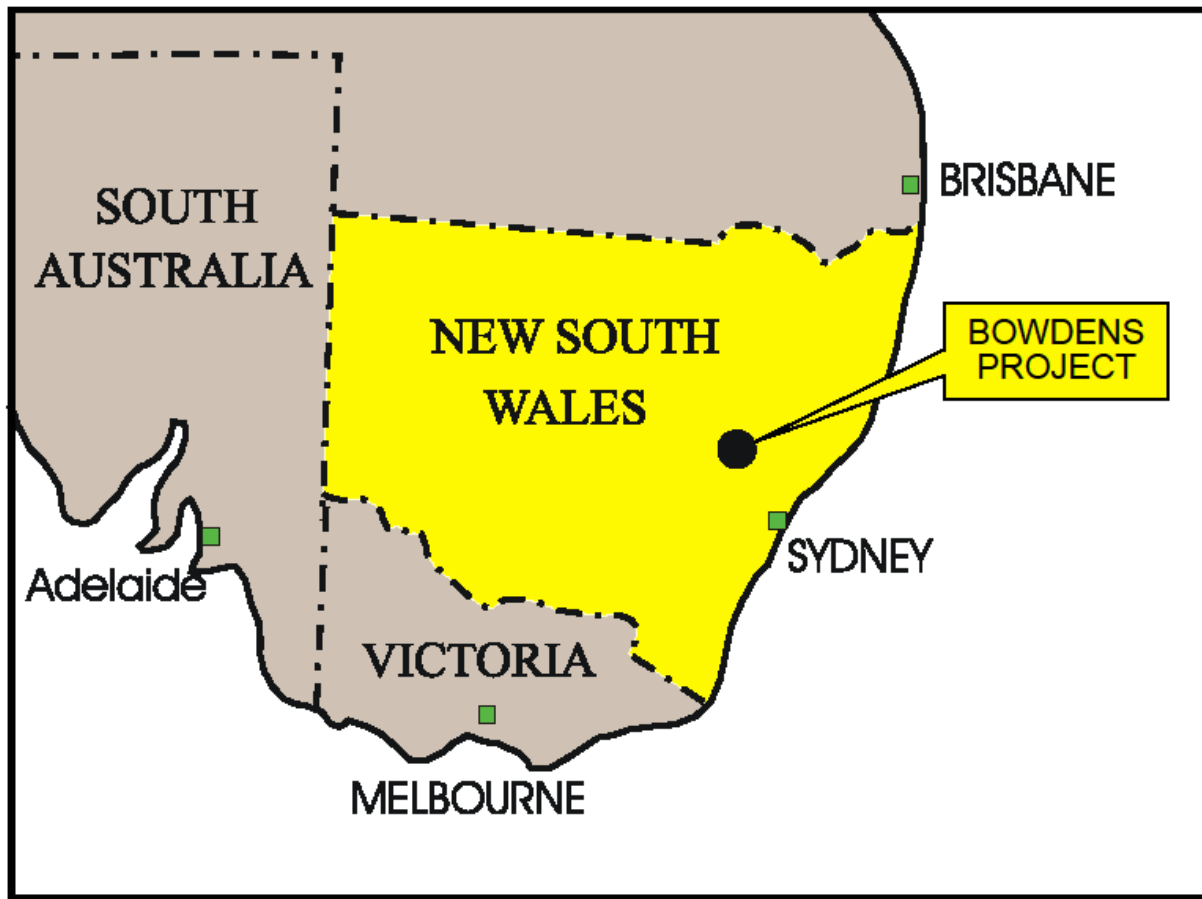
Classification	Tons (millions)	Silver Grade (oz/ton)	Gold Grade (oz/ton)
Inferred	85.55	1.0	0.008

Bowdens Project

Location and Access

Our wholly-owned Bowdens Project is located approximately 200 kilometers northwest of Sydney in eastern New South Wales, Australia, near latitude 32° 39'S, longitude 149° 52'E. Access is by the paved road between Mudgee (population 7,500) and Rylstone (population 750) and by numerous gravel and dirt roads that criss-cross the area. A high-tension power line crosses the property. See the following Bowdens Project General Location Map.

The Bowdens Project consists of one exploration tenement covering 93 square kilometers held 100 percent by Silver Standard Australia Pty. Ltd, our wholly-owned subsidiary. In order to maintain our interest in the property, we are required to make annual work expenditures on the property. For the years ended January 29, 2007 and January 29, 2008, minimum required expenditures are A\$62,000 per year. We have also purchased three farms totalling 1,338 hectares that cover the known mineralization and proposed mine infrastructures sites.



The original tenements covering the mineralization of the Bowdens Project were granted to CRA Exploration during 1989 and 1990. The following is a chronological description of mineral exploration on the Bowdens Project:

1989 - 1992 CRA Exploration completed rock chip and soil sampling, geological mapping, induced polarization surveys, 33 reverse circulation drill holes totalling 3,438 meters and five diamond drill core holes for 842 meters.

1994-1996 GSM Exploration acquired the project and completed 17 reverse circulation holes totalling 2,413 meters and five diamond drill holes for 665 meters. GSM Exploration also completed a scoping study, which included a mineral resource estimate, metallurgical testing and environmental studies.

1997-1998 We acquired GSM Exploration and carried out exploration programs over the two main prospects of the Bowdens Project and a regional reconnaissance program to expand on previous reconnaissance work. In May 1998, our board of directors approved a US\$2.7 million feasibility study of the economics of the Bowdens Project, and we commenced a reserve definition drill program to expand indicated and inferred silver resources and to provide additional geological and metallurgical information. A feasibility study is required to be completed for the Bowdens Project before any reserves can be designated for the project.

1999-2001 We completed preliminary resource modelling, which indicated that additional in-fill drilling was required prior to completion of the final reserve estimate, and prospecting in the area west of

the known mineralization indicated the potential for locating additional tonnage. (A feasibility study is required to be completed for the Bowdens Project before any reserves can be designated for the project.) Drilling in this area was carried out in 2000. In 2001, we completed a two phase drilling program consisting of 19 reverse circulation drill holes totalling 2,711 meters on the Bowdens Project. Based on the results of the drill programs, we initiated an updated block model resource estimate for the Bowdens Project, which was completed in October 2001.

2002 - 2004 We completed an in-fill drill program in order to better define silver resources on the property for completion of the feasibility study on the Bowdens Project and continued work on elements of the feasibility study.

2005 - 2007 We completed an airborne geophysics survey and two drill programs to follow up on drill targets identified by the airborne survey. No significant intersections were achieved in this regional drill program. We also completed additional metallurgical test work.

As of December 31, 2007, a total of 425 drill holes totalling 47,672 metres, including water exploration holes, have been completed on the Bowdens Silver Project since 1989.

The Bowdens Project is located within a shallow depression that formed during the Late Silurian to Middle Devonian ages. Other rocks exposed in the area include Devonian age marine sediments, Middle Carboniferous age granite intrusives and the Permian age Rylstone volcanics.

Outcropping along the eastern margin of the depression are volcanic rocks. Mineralization at Bowdens is hosted by the rocks near the base of this formation.

Our geologists have identified three styles of mineralization and alteration. First, a silica alteration that is best developed within the volcanics with pervasive silica forming up to 60 percent of the rock. Visible sulfides comprise five to seven percent of the rock and are composed of mainly fine-grained pyrite with minor galena and sphalerite. Occasionally quartz-sulfide veinlets form stockworks and sheeted zones within this style of mineralization. Second, a quartz vein or vein-breccia style of alteration is well developed in an area of mineralization. Vein widths range from 5.0 centimeters up to 1.5 meters and consist of fine layers of chalcedonic and crystalline quartz with thin rhodochrosite bands. Sulphides are associated with quartz and sometimes form bands of pyrite, sphalerite and galena. Third, a sericitic green clay alteration is best developed in the crystal tuff and ignimbrites and consists of sericite, carbonate, epidote, and minor one to two percent pyrite.

Resource Estimates

As of the date of this report, the Bowdens Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

James A. McCrea, P. Geo., of Surrey, British Columbia completed the following resource estimate for the Bowdens Project in accordance with the standards of Canadian National Instrument 43-101 and the definitions of the CIM Standards in March 18, 2004.

Cautionary Note to U.S. Investors concerning estimates of Measured Mineral Resources.

Table No. 26 below uses the term "Measured Mineral Resource." We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 26
Silver Standard Resources Inc.
Bowdens Project
Measured Mineral Resource Estimate
(40 g/t Silver-Equivalent Cutoff Grade – capped)

Classification	Tonnes (millions)	Silver Grade (g/t)	Lead (%)	Zinc (%)
Measured	22.9	50.4	0.33	0.46

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 27 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 27
Silver Standard Resources Inc.
Bowdens Project
Indicated Mineral Resource Estimate
(40 g/t Silver-Equivalent Cutoff Grade – capped)

Classification	Tonnes (millions)	Silver Grade (g/t)	Lead (%)	Zinc (%)
Indicated	24.7	53.33	0.26	0.36

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 28 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

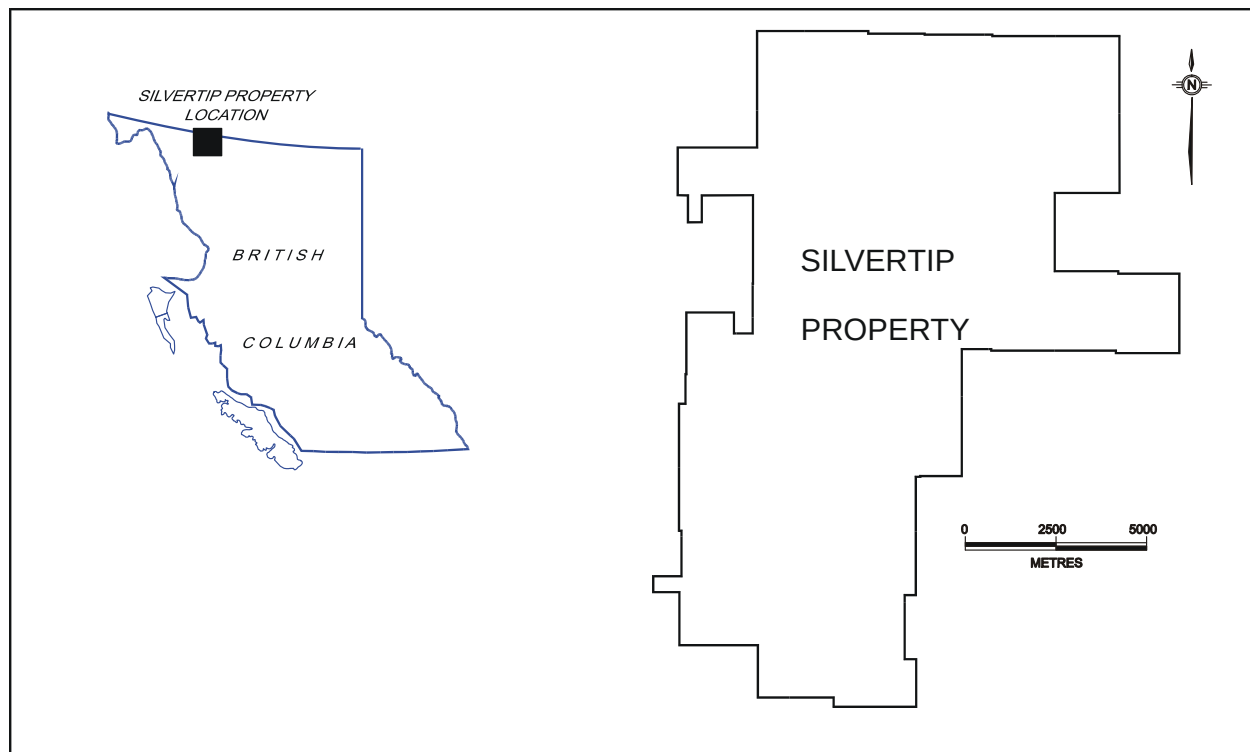
Table No. 28
Silver Standard Resources Inc.
Bowdens Project
Inferred Mineral Resource Estimate
(40 g/t Silver-Equivalent Cutoff Grade – capped)

Classification	Tonnes (millions)	Silver Grade (g/t)	Lead (%)	Zinc (%)
Inferred	13.4	40.9	0.21	0.32

Silvertip Project

Our wholly-owned Silvertip Project is located in northern British Columbia approximately 85 kilometers south of Watson Lake, Yukon Territory. The property can be accessed by a 25 kilometer dirt road that connects to the Alaska Highway. See the following Silvertip Property Location Map.

Silvertip is a high grade carbonate replacement deposit. Exploration work to date has included 71,472 meters of drilling in 491 holes and 2.67 kilometers of underground development. We have not carried out any work on the Silvertip Property since our acquisition of the property.



As of the date of this report, the Silvertip Property is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

Imperial Metals Corporation, the parent company of the former owner of the Silvertip Property, disclosed the following resource estimate for the property in accordance with CIM Standards in its Annual Information Form filed on www.sedar.com on October 30, 2002.

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 29 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 29
Silver Standard Resources Inc.
Silvertip Project
Indicated Mineral Resource Estimate

Classification	Tonnes (million)	Silver Grade (g/t)	Lead (%)	Zinc (%)	Gold Grade (g/t)
Indicated	1.12	378	7.7	9.5	0.85

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 30 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 30
Silver Standard Resources Inc.
Silvertip Project
Inferred Mineral Resource Estimate

Classification	Tonnes (millions)	Silver Grade (g/t)	Lead (%)	Zinc (%)	Gold Grade (g/t)
Inferred	1.45	284	5.4	8.3	0.46

Sulphurets Project

The Sulphurets Project is located in the Coast Range Mountains of northwestern British Columbia approximately 900 kilometers north of Vancouver and 240 kilometers north of the town of Prince Rupert. Latitude and longitude are 56 degrees 29 minutes north and 129 degrees 13 minutes west, respectively.

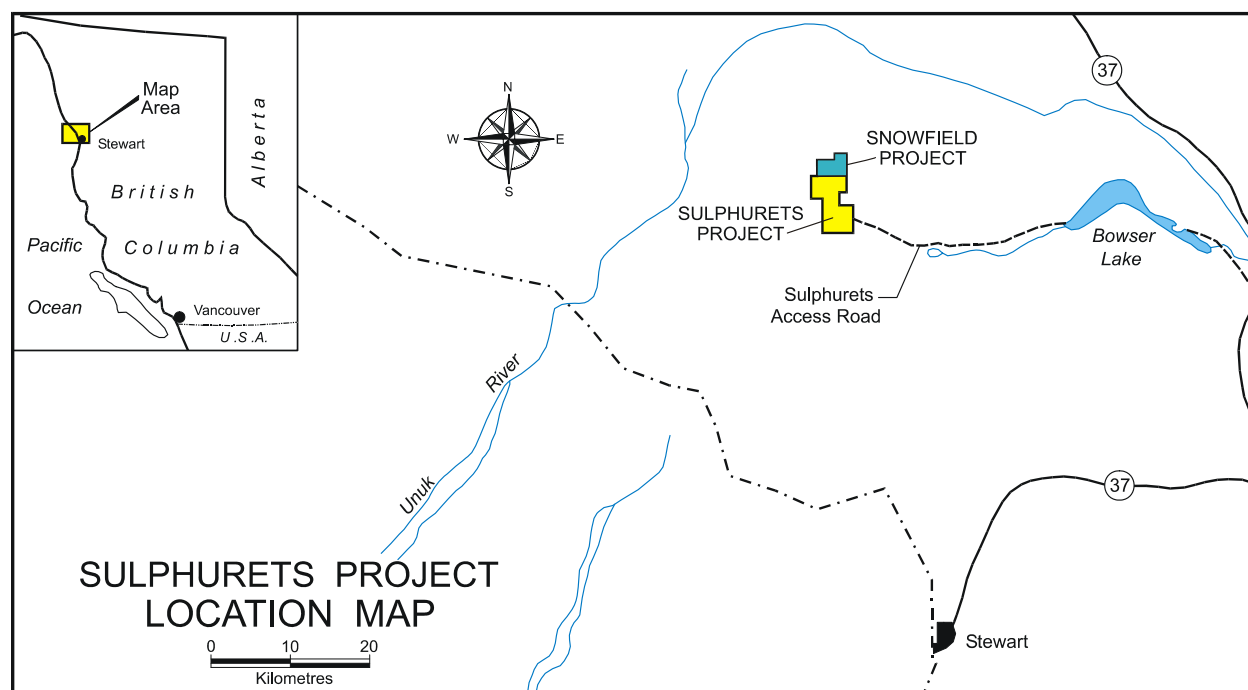
Access from the town of Stewart (62 kilometers south-southeast of the property) is currently by helicopter. During the underground exploration period in the late 1980s, freight, supplies and personnel were transported from Stewart overland via paved Highway 37, then by gravel road to Bowser Lake, then by barge along Bowser Lake (25 kilometers) then by road along Bowser River and finally by tracked vehicle up the Knipple Glacier (15 kilometers) and a further 3.0 kilometers of gravel roads to the camp site.

The towns of Terrace and Smithers are located in the same general region as the Sulphurets Project. Both are directly accessible by daily air service from Vancouver. Stewart has good road access but does not have scheduled air service.

The Sulphurets Project consists of 6 recorded claims covering an area of 3,199 hectares contiguous and to the south of our Snowfield project. The claims are in good standing until January 31, 2017 and, thereafter, can be maintained in good standing by carrying out additional work on the property or paying a fee to the

Government of British Columbia. The area encompassing the Sulphurets Project has been intermittently explored for precious and base metals for more than 100 years.

A north-trending zone of intense quartz-sericite-pyrite alteration 100 to 450 meters wide and 4.5 kilometers long cuts through the central part of the claim group. The alteration is pervasive and hosts over 40 known zones of structurally controlled quartz-carbonate gold-silver bearing veins, stockworks and breccias. The most important ore-bearing structures occur within a complex vein system and can range from a few centimeters up to 50 meters wide and can contain up to 60 percent quartz. Individual mineralized zones range in length from several meters to several hundred meters.

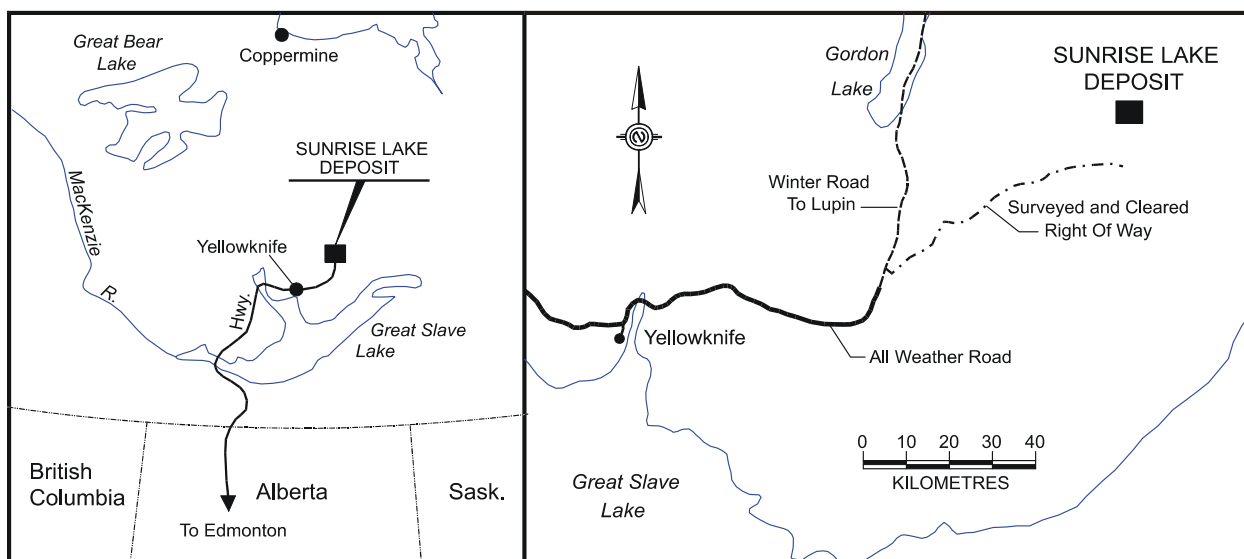


The project was actively explored from the 1970s to 1994. Newhawk acquired its initial interest in the property in 1984 and carried out a series of exploration programs that included mapping, trenching, sampling, underground development on the West Zone of the project, and both surface and underground diamond drilling. A feasibility study was completed in 1990. Prior to our acquisition of Newhawk, in excess of \$40 million had been spent on the exploration and development of the project. We have not carried out any exploration work on the project since we acquired it in 1999.

As of the date of this report, the Sulphurets Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

Sunrise Lake Deposit

The Sunrise Lake Deposit is located about 130 kilometers by air east-northeast of Yellowknife, Northwest Territories, Canada. Access to the property is typically by ski or float-equipped aircraft. The Sunrise Lake Deposit consists of 6 mining leases, which form a contiguous block with an aggregate area of 1,618 hectares.



The Sunrise Lake Deposit consists of a lens of polymetallic massive sulphides overlying stringer zones of low-grade mineralization. The massive sulphide lens is three meters to four meters thick and has a strike length of about 120 meters at the surface. At depth it is up to 190 meters long. The deposit remains open down plunge.

Hemisphere and Aber discovered the Sunrise Lake Deposit in October 1987. During 1987 and 1988, they drilled a total 18,951 meters in 65 diamond drill holes on the Sunrise Lake Deposit and 1,280 meters in 12 holes on peripheral targets. In 1998, they completed an additional seven diamond drill holes aggregating 1,543 meters. We have not carried out any exploration activities on the property since acquisition.

As of the date of this report, the Sunrise Lake Deposit is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

We completed an updated polygonal estimate of the resources for the Sunrise Lake Deposit in August 2003. The resource estimate is based on a cut-off of 30 g/t of silver and was prepared in accordance with Canadian National Instrument 43-101 and the CIM Standards. Roscoe Postle Associates Inc. (now known as Scott Wilson Roscoe Postle Associates Inc.) reviewed and confirmed our classification of Indicated and Inferred Mineral Resources for the Sunrise Lake Deposit in a report dated September 3, 2003.

Cautionary Note to U.S. Investors concerning estimates of Indicated Mineral Resources.

Table No. 31 below uses the term “Indicated Mineral Resource.” We advise U.S. investors that while such terms are recognized and required under Canadian regulations, the SEC does not recognize it. **U.S. investors are cautioned not to assume that any part or all of the mineral deposits in this category will ever be converted into reserves.**

Table No. 31
Silver Standard Resources Inc.
Sunrise Lake Deposit
Silver Standard Indicated Mineral Resource Estimate with Roscoe Postle Review
(30 g/t Silver Cutoff Grade - Uncut)

Classification	Tonnes	Silver Grade (g/t)	Lead (%)	Zinc (%)	Copper (%)	Gold Grade (g/t)
Indicated	1,522,000	262	2.39	5.99	0.08	0.67

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 32 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 32
Silver Standard Resources Inc.
Sunrise Lake Deposit
Silver Standard Inferred Mineral Resource Estimate with Roscoe Postle Review
(30 g/t Silver Cutoff Grade - Uncut)

Classification	Tonnes	Silver Grade (g/t)	Lead (%)	Zinc (%)	Copper (%)	Gold Grade (g/t)
Inferred	2,555,000	169	1.92	4.42	0.07	0.51

Veta Colorada Project

The Veta Colorada Project is located in the Parral District in Chihuahua State, Mexico, approximately 210 kilometers south of Chihuahua City. The project can be accessed from paved Highway 24 that connects the City of Hidalgo del Parral, Mexico and Durango City, Mexico. The Veta Colorada Project is comprised of nine mining concessions covering an area of approximately 4,244 hectares. In order to maintain our rights to these concessions we are required to pay surface mining taxes to the Mexican government.

Veta Colorada is the principal vein structure in the district, oriented north/south and traceable for over 10 kilometers. The footwall vein is a typical banded quartz vein measuring one to four meters in thickness. The hanging wall is brecciated up to 30 meters in thickness and is mineralized with lower grade material that was generally left in place by previous miners.

Mining in the Parral District commenced in the late 1500s when high-grade silver-gold mineralization was discovered in the Veta Colorada vein system, which was mined up until the 1990s. We have not carried out any exploration work on the project since we acquired it in 2006.

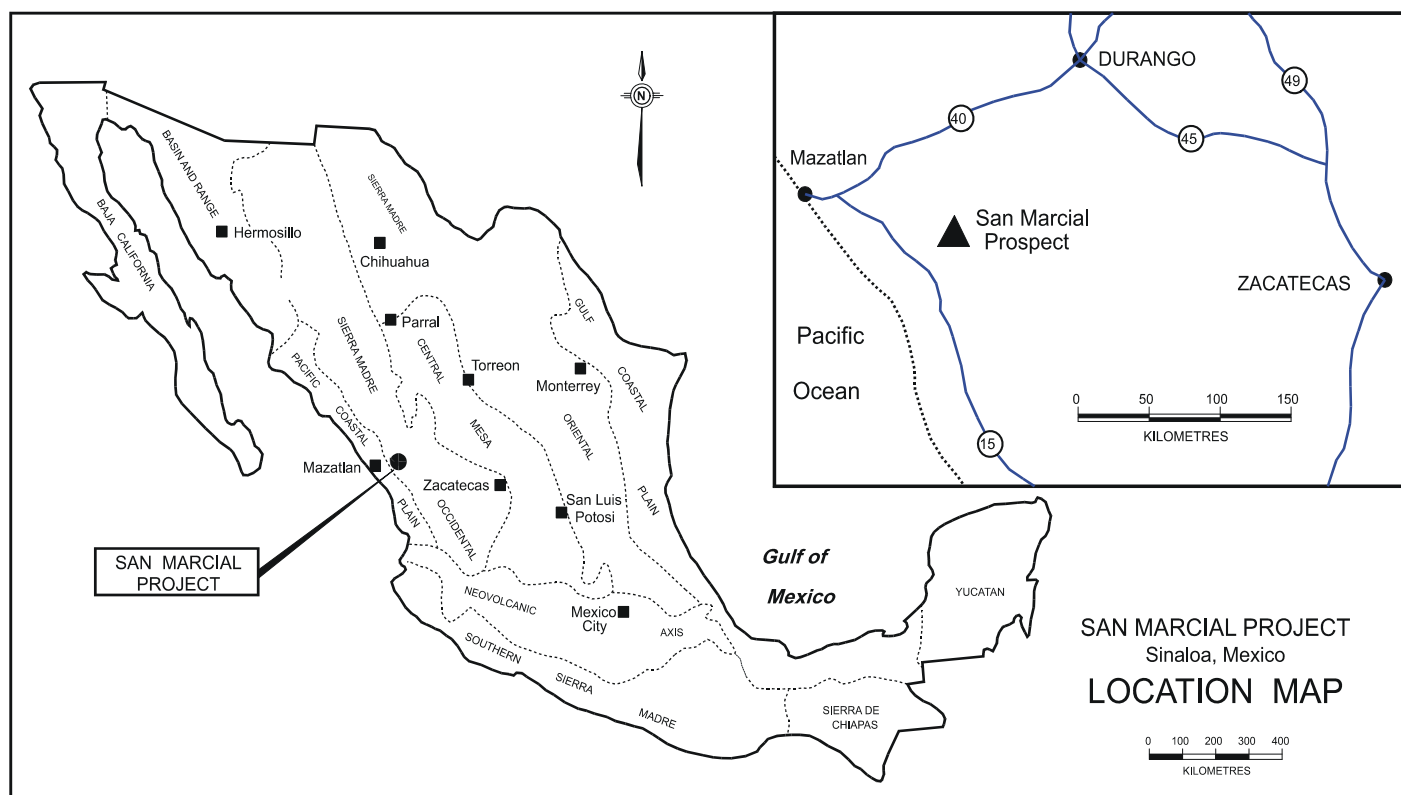
As of the date of this report, the Veta Colorada Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.

San Marcial Project

The San Marcial Project is located in Sinaloa State, Mexico 56 miles (90 kilometers) due east of Mazatlan in the Sierra Madre Mountains in west central Mexico and is comprised of two claims covering an area of 4.8 square miles (1,250 hectares). The concession is generally road accessible year round except during the rainy season when 4-wheel drive vehicles are required. See the following San Marcial Project Location Map. In order to maintain our rights to these concessions, we are required to pay surface mining taxes to the Mexican government.

The geology at the San Marcial Project can be sub-divided into two distinct underlying rock types, an upper volcanic group of rocks occurring in the higher and more mountainous portions of the project in the northeast, and the underlying lower volcanic group of rocks that occur at lower elevations. The known silver prospects at the San Marcial Project are hosted along what appears to be a narrow set of northwest trending fault structures in two known vein systems, both of which outcrop and can be identified by small historical diggings over a strike length of approximately 300 meters. Prior to our acquisition of the project, Gold-Ore carried out regional stream sediment sampling, geological mapping, rock sampling and trenching and completed the drilling of six holes totaling 601.7 meters. Following acquisition, we completed two drill programs totalling 2,526.8 meters in 14 holes.

As of the date of this report, the San Marcial Project is without known Mineral Reserves, and any activity carried out on the property is exploratory in nature.



We completed an estimate of the resources for the San Marcial Project in August 2002. The resource estimate is based on a cut-off of 30 g/t of silver and was prepared in accordance with Canadian National

Instrument 43-101 and the CIM Standards. Sundance Ventures reviewed and confirmed our classification of Indicated and Inferred Mineral Resources for the San Marcial Project in a report dated October 15, 2002.

Cautionary Note to U.S. Investors concerning estimates of Inferred Mineral Resources.

Table No. 34 below uses the term “Inferred Mineral Resources.” We advise U.S. investors that while such term is recognized and required under Canadian regulations, the SEC does not recognize it. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **U.S. investors are cautioned not to assume that any part or all of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Table No. 34
Silver Standard Resources Inc.
San Marcial Project
Silver Standard Inferred Mineral Resource Estimate with Sundance Review
(30 g/t Silver Cutoff Grade – uncapped)

Classification	Tonnes (millions)	Silver Grade (g/t)	Lead (%)	Zinc (%)
Inferred	2.31	191.79	0.32	0.66

Office Space

In November 2007, we agreed to renew the lease of our head office at 1180 - 999 West Hastings Street, Vancouver, British Columbia for a five year term commencing in March 2008. Under the terms of the renewed lease, we agreed to lease 8,361 square feet of office space at rates increasing from \$284,279 in the first year to \$334,440 per year in the fifth year. In September 2007, we agreed to sublease 1,065 feet of contiguous office space at a rate of \$21,300 per annum until April 30, 2009, following which we have agreed to include the space under our head office lease. Effective November 2008, we leased 1,319 square feet of contiguous office space for a term of four years and five months at rates increasing from \$18,686 for the first five months to \$52,760 in the last year, which we have sublet for a three year term at our cost. We have also agreed to pay our proportionate share of operating costs and property taxes over the term of the lease and our sublease.

Item 4A Unresolved Staff Comments

There are no unresolved SEC comments at this time.

Item 5 Operating and Financial Review and Prospects

A. Operating Results

We are a development stage company that since 1994 has assembled a portfolio of silver-dominant projects which are located in seven countries in the Americas and Australia. We are now focused on advancing our five principal projects, the Piriquitas Project, the San Luis Project, the Pitarrilla Project, the Diablillos Project and the Snowfield Project, to commercial production. Currently we are completing the

construction of our Pirquitas Project located in the province of Jujuy in northwest Argentina. In aggregate, we own what we believe to be the largest in-ground silver resource of any publicly-traded primary silver company. Certain of our projects also contain significant gold resources. We may opportunistically monetize certain of our other assets. Our common stock is quoted on the Nasdaq Global Market under the trading symbol SSRI and listed on the Toronto Stock Exchange under the symbol SSO.

This management discussion and analysis (MD&A) of the financial position and operating results of the company for the twelve months and three months ended December 31, 2008 and 2007 is prepared as of March 10, 2009 and should be read in conjunction with the audited consolidated financial statements and the related notes thereto, which have been prepared in accordance with Canadian generally accepted accounting principles. All dollar amounts referred to in this discussion and analysis are expressed in Canadian dollars except where indicated otherwise. Additional information relating to us, including our annual information form, is available free of charge on our website at www.silverstandard.com, on the Canadian Securities Administrators' (CSA) website at www.sedar.com, and on the EDGAR section of the SEC's website at www.sec.gov.

The MD&A contains forward-looking statements within the meaning of the U.S. *Private Securities Litigation Reform Act* of 1995 and Canadian securities laws concerning the anticipated developments in our operations in future periods, our planned exploration activities, the adequacy of our financial resources and other events or conditions that may occur in the future. 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 (see "Note Regarding Forward-Looking Statements").

Pirquitas Project Construction Update

During the year, approximately \$158.5 million of capital and \$7.8 million of exploration expenditures were incurred on the Pirquitas Project in Argentina. Pirquitas is on track with process commissioning underway and commencement of ore delivery to the silver circuit in the first quarter of 2009. Initial production will focus on the processing of over 400,000 tonnes of run-of-mine grade jig tails from the historic operations and then transition to material from the open pit. To date, in excess of five million tonnes of material has been moved from the Pirquitas open pit and stockpiling of ore has commenced.

At current metal prices, the silver and tin concentrates account for over 95% of the anticipated revenue from the mine. As a result, the silver circuit will be optimized first, followed by the tin circuit. A decision to complete the zinc circuit is dependent on the results of metallurgical testwork to be received on increasing silver recoveries. Process equipment purchased for the zinc circuit may be better served increasing the silver recovery.

With production ramping up through Q2, Pirquitas is expected to produce in excess of six million ounces of silver in 2009 and achieve full production in 2010 in excess of 10 million ounces of silver.

The Pirquitas Project is located in the province of Jujuy in northwest Argentina. In May 2008, we reported that proven and probable silver reserves at Pirquitas have increased by 43% to 195 million ounces. Based on the increased reserves, Pirquitas mine life has been extended to 14.5 years. The mine is expected to produce an average of approximately 10 million ounces of silver per year.

In February 2009, we updated the capital cost estimate for the project to US\$230 million plus IVA (Argentinean value added tax) from the previous capital cost estimate of US\$220 million plus IVA as inflation in wages and local inputs continues to place pressure on costs. In developing this cost estimate in November 2007, we estimated inflation for wages and other inputs within Argentina significantly higher than the official rate. With inflation exceeding company estimates, the estimated cost to complete

the construction of Pirquitas has increased to US\$230 million or 5% over the 2007 estimate. With eight months of mining experience and in-country administration, the company estimates that mining, milling and administration costs will now average US\$26/tonne over the life of the mine.

As of December 31, 2008, the Company had expended US\$194 million of the total estimated construction costs of US\$230 million.

Financial Summary for 2008

- We recorded a loss for the year of \$10.5 million or \$0.17 per share. Significant items incurred during the year include:
 - o \$18.4 million write-down on asset-backed commercial paper;
 - o \$10.2 million non-cash stock based compensation;
 - o \$6.0 million mark to market write-down of marketable securities;
 - o \$5.1 million general and administration expense;
 - o \$3.4 million future income tax expense;
 - o \$3.7 million financing fees associated with the convertible debt financing;
 - o \$2.8 million interest expense on convertible debt;
 - o \$2.1 million current income tax expense;offset by:
 - o \$23.5 million gain on sale of silver bullion;
 - o \$18.2 million after-tax gain on sale of the Shafter Silver Project.
- We incurred \$7.8 million (2007 - \$6.3 million) for exploration and \$158.5 million (2007 - \$52.9 million) for construction and mining equipment at the Pirquitas property during the year.
- We incurred total expenditures of \$39.6 million (2007 - \$36.5 million) to advance our other key properties during the year. Significant expenditures include \$18.4 million (2007 - \$17.6 million) for exploration at the Pitarrilla Project in Mexico, \$7.0 million (2007 - \$8.2 million) for exploration at the San Luis Project in Peru, \$6.0 million (2007 - \$4.8 million) for exploration at the Diablillos Project in Argentina, and \$4.9 million (2007 - \$2.6 million) for exploration at the Snowfield Project in Canada.
- We successfully completed a US\$138 million convertible debt financing for net proceeds of \$129.8 million after fees and commissions.
- We sold our silver bullion at an average price of US\$20.30 per ounce for proceeds of \$39.2 million (US\$39.6 million).
- We closed the sale of the Shafter Silver Project in Presidio County, Texas, to Aurcana Corporation for total consideration of \$38.2 million. The transaction resulted in a pre-tax gain of \$31.5 million (after-tax gain of \$18.2 million).

Current Market Conditions

The global financial markets have experienced significant events which have impacted the global economy with reduced credit availability; higher cost of funding; high volatility in commodity prices and foreign exchange markets; and a slowdown in general economic activity. These events could have a significant impact on our business such as:

- The credit crisis may impact the availability and cost of financing our projects.
- The volatility in silver and other metal prices impacts our future revenues, earnings and cash flow.
- The volatility of stock markets impacts the value of our share investments.

We will continue to adopt strategies to mitigate these challenges. In February 2009, we successfully completed a public offering of 5.45 million common shares for net proceeds of \$109 (US\$87) million after estimated fees and commissions.

Critical Accounting Estimates

The preparation of our consolidated financial statements requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as revenues and expenses. Our accounting policies are described in note 2 of our 2008 audited annual financial statements.

Mineral Property Costs

We regularly review the net carrying value of each mineral property for conditions that suggest impairment. This review requires significant judgment where we do not have any proven and probable reserves that would enable us to estimate future cash flows to be compared to the carrying values. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant decrease in the market price of the property; whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future and whether the Company has significant funds to be able to maintain its interest in the mineral property.

Where we do have proven and probable reserves, as is now the case at our Pirquitas Project, the expected undiscounted future cash flows from an asset are compared to its carrying value. These future cash flows are developed from models using assumptions that reflect the long-term operating plans for an asset given our best estimate of the most probable set of economic conditions. Commodity prices used reflect market conditions at the time the models are developed. These models are updated from time to time, and lower prices are used should market conditions deteriorate. Inherent in these assumptions are significant risks and uncertainties.

Stock-based compensation

We provide compensation benefits to our employees, directors, officers and consultants through a stock option plan. The fair value of each option award is estimated on the date of the grant using the Black-Scholes option pricing model. Expected volatility is based on historical volatility of our share price. We utilize historical data to estimate option exercises and termination behaviour with the valuation model.

The risk-free rate for the expected term of the option is based on the Government of Canada yield curve in effect at the time of the grant. Actual results may differ materially from those estimates based on these assumptions.

Asset Retirement Obligations

The amounts recorded for asset retirement costs are based on estimates included in closure and remediation plans. These estimates are based on engineering studies of the work that is required by environmental laws or public statements by management which results in an obligation. These estimates include an assumption on the rate at which costs may inflate in future periods. Actual costs and the timing of expenditures could differ from these estimates.

Income and Resource Taxes

The determination of our future tax liabilities and assets involves significant management estimation and judgment involving a number of assumptions. In determining these amounts we interpret tax legislation in a variety of jurisdictions and make estimates of the expected timing of the reversal of future tax assets and liabilities. We also make estimates of the future earnings which affect the extent to which potential future tax benefits may be used. We are subject to assessment by various taxation authorities, which may interpret tax legislation in a manner different from our view. These differences may affect the final amount or the timing of the payment of taxes. When such differences arise we make provision for such items based on our best estimate of the final outcome of these matters.

Other Investments

We hold \$57,102,000 (\$26,700,000 net of fair value adjustment) in ABCP investments as at December 31, 2008. See "Other Investments" discussion under "Investing Activities".

As at December 31, 2008, no market quoted value was available to determine the fair value of our ABCP investments. As such, we estimated the fair values of our ABCP investments based on information outlined in the Restructuring Plan and the limited market data available. Since the fair values are based on our assessment of market conditions at December 31, 2008, the uncertainty regarding the outcome of the restructuring plan, and the related amount and timing of cash flows the fair value reported may change materially in subsequent periods.

Convertible Debenture Receivable

We follow accounting guidelines in determining the value of the liability and equity components of the convertible debenture receivable, as disclosed in Note 5(c) to the Financial Statements. The carrying value of the note receivable component was determined by discounting the stream of future payments of interest and principal over a 3 year expected life at the prevailing market rate for a similar debenture without the conversion feature. The note receivable component is accreted over its expected life using the effective interest method. The carrying value of the conversion feature was measured using the Black-Scholes valuation model. The conversion feature component is re-valued at each period end with net change recorded to the net earnings.

Convertible Debt

We follow accounting guidelines in determining the value of the liability and equity components of the convertible notes, as disclosed in Note 9 to the Financial Statements. The carrying value of the liability component was determined by discounting the stream of future payments of interest and principal over a

5 year expected life at the prevailing market rate for a similar liability without the conversion feature. The carrying value of the equity component was measured as the face value of the notes less the portion relating to the debt component. We estimated the expected life of the debt based on early repayment rights exercisable by both parties in the fifth year of the agreement.

Management's Annual Report on Internal Control Over Financial Reporting

The following report is provided by management in respect of internal control over financial reporting (as defined in the rules of the CSA and the SEC):

- (1) Management is responsible for establishing and maintaining adequate internal control over financial reporting. All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. 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.
- (2) Our management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of our internal control over financial reporting.
- (3) As at December 31, 2008, management assessed the effectiveness of our internal control over financial reporting and concluded that such internal control over financial reporting is effective and that there are no material weaknesses in our internal control over financial reporting.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the year ended December 31, 2008, that have materially affected, or are reasonably likely to affect our internal control over financial reporting.

Changes in Accounting Policies

Financial Instruments - Disclosures

Effective January 1, 2008, we adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and CICA Handbook Section 3863, "Financial Instruments – Presentation". Section 3862 requires the disclosure of quantitative and qualitative information in our financial statements to evaluate (a) the significance of financial instruments for our financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which we are exposed during the period and at the balance sheet date. Management's objectives, policies and procedures for managing such risks are disclosed in note 5(d) of the financial statements. Section 3863 replaces the existing requirements on presentation of financial instruments.

Capital Disclosure

Effective January 1, 2008, we adopted CICA Handbook Section 1535, "Capital Disclosures", which requires the disclosure of information on our objectives, policies, and processes for managing capital. This information is disclosed in note 13 of the financial statements.

Going Concern

Effective January 1, 2008, we adopted an amendment to CICA Handbook Section 1400, “General Standards of Financial Statement Presentation” in relation to going concern. The amendment requires management to assess an entity’s ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity’s ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date. This standard has no significant effect on our financial statements.

Inventories

Effective January 1, 2008, we adopted CICA Handbook Section 3031, “Inventories”, which prescribes the accounting treatment for inventories and provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. As at December 31, 2008, we have no inventories and this standard has no effect on our financial statements.

Income Statement Presentation of Tax Loss Carryforward

Effective September 30, 2008, we adopted EIC-172, “Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain in Other Comprehensive Income”. This abstract provides guidance on whether the tax benefit from the recognition of previously unrecognized tax loss carryforwards consequent to the recording of unrealized gains in other comprehensive income, such as unrealized gains on available-for-sale financial assets, should be recognized in net income or in other comprehensive income. The abstract should be applied retrospectively, with restatement of prior periods from January 1, 2007, the date of adoption of CICA Handbook Section 3855, “Financial Instruments – Recognition and Measurement”.

The adoption of EIC-172 resulted in a reclassification of \$5,084,000 of future income tax recovery from opening accumulated other comprehensive income to opening accumulated deficit effective January 1, 2007, \$1,098,000 of future income tax expense from other comprehensive loss to net loss for the year ended December 31, 2007 and \$3,416,000 of future income tax expense from other comprehensive loss to net loss in the current year.

Recent Accounting Pronouncements

Recent accounting pronouncements issued which may impact us in the future are as follows:

Goodwill and Intangible Assets

CICA Handbook Section 3064, “Goodwill and Intangible Assets”, replaces Section 3062, “Goodwill and Other Intangible Assets,” and CICA Section 3450, “Research and Development Costs,” and EIC-27, “Revenues and expenditures during the pre-operating period”. The Standard reinforces the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition; and clarifies the application of the concept of matching revenues and expenses such that the current practice of recognizing assets that may not meet the definition and recognition criteria are eliminated. This new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs and related revenues be reflected in earnings. The changes are effective for interim and annual financial statements beginning January 1, 2009. We

have not yet determined the impact of the adoption of this change on the disclosure in our financial statements.

International Financial Reporting Standards

We have been monitoring the deliberations and progress being made by accounting standard setting bodies and securities regulators in Canada and United States with respect to their plans regarding convergence to International Financial Reporting Standards (“IFRS”):

- In February 2008, the Canadian Accounting Standards Board confirmed that publicly listed companies will be required to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Early adoption may be permitted, however, exemptive relief requires approval of the Canadian Securities Administrators.
- In August 2008, the SEC announced that it would seek public comments on a proposed roadmap for the potential mandatory adoption of IFRS beginning in 2014 for large accelerated filers, accelerated filers in 2015 and then remaining public companies in 2016.

In preparation for the changeover from GAAP to IFRS, we commenced the planning process during the second quarter of 2008. Specific initiatives are underway and others have been planned for the transitioning from GAAP to IFRS. Current status of the project is as follows:

Resources

- We have retained the service of a major public accounting firm to provide technical and process management assistance for the project.
- We will continue to invest in training and resources to ensure a timely and effective conversion.

Process

- A diagnostic assessment of the key impact areas was completed.
- A detailed assessment of accounting and measurement differences between IFRS and Canadian GAAP on current accounting policies, as well as new policies anticipated to be implemented as we transition to a producer, is currently underway.
- Initial findings and observations from the work completed to date will serve as an input in establishing the key parameters to develop solutions during the design phase of the project.
- An initial assessment of exemptions available under IFRS 1, “First-time Adoption of IFRSs”, has been completed.
- A high-level impact assessment of IFRS conversion on our IT systems and tax processes is underway.
- Our audit committee is monitoring our progress and is kept informed of issues identified.
- Our external auditor is advised of the progress status and issues identified.

We anticipate that there will be changes in accounting policies and these changes may materially impact our financial statements.

Financial Review

For the year ended December 31, 2008, we recorded a net loss of \$10,489,000 (\$0.17 per share), compared to \$35,223,000 (\$0.57 per share) in 2007. A discussion on the various components of the expense and income items compared to the prior year follows:

Financial Results from Operations

The following is a summary and discussion on the various components of the expenses and income items recorded during the year compared to the prior year:

	Year ended December 31,	
	2008	2007
Exploration and mineral property costs	\$(000)	\$(000)
Property examination and exploration	365	78
Reclamation and accretion	352	782
	717	860

We incurred \$365,000 in property examination and exploration expenditures in 2008 compared to \$78,000 in 2007, reflecting an increase in generative activity in Mexico.

Reclamation and accretion expense in 2008 amounted to \$352,000 compared to \$782,000 in 2007. The various components of the expense were: \$158,000 of accretion expense in 2008 compared to \$215,000 in 2007; \$93,000 of cash site restoration and clean-up costs in 2008 compared to \$135,000 in 2007; and \$101,000 due to changes in estimates of the amount or timing of future cash expenditures in 2008 compared to \$432,000 in 2007, reflecting a decrease in reclamation activity at the Duthie project during the period.

	Year ended December 31,	
	2008	2007
Expenses	\$(000)	\$(000)
Salaries and employee benefits	3,323	2,808
Depreciation	305	318
Professional fees	978	658
General and administration	5,119	5,054
Stock-based compensation	10,201	14,999
Foreign exchange loss	391	3,527
	20,317	27,364

Salaries and employee benefits for 2008 were \$3,323,000 compared to \$2,808,000 in 2007. The \$515,000 increase in salaries and benefits over 2007 is the result of hiring additional senior staff as we continue our transition to a producing company and the impact of salary adjustments effective at the beginning of 2008.

Depreciation expense during 2008 was \$305,000 compared to \$318,000 recorded in 2007. The decrease is minimal as no significant capital assets were purchased at our corporate office during the year.

Professional fees include fees for the annual audit, accounting, tax and legal services. Total costs for 2008 were \$978,000 compared to \$658,000 in 2007. The \$320,000 increase in expenses in 2008 over the

prior year relates to higher accounting, tax and legal fees. These higher costs are expected to continue as we grow and advance our properties.

General and administrative expenses for 2008 were \$5,119,000 compared to \$5,054,000 in 2007. The increase in general and administrative expenses was due to higher insurance fees, office expenses and travel costs as the company continues to grow.

Stock-based compensation expense for 2008 was \$10,201,000 compared to \$14,999,000 in 2007. Of the current year's expense, \$2,120,000 was related to general and administration for directors and consultants as compared to \$2,804,000 in 2007, and \$8,081,000 was related to employee salaries and benefits as compared to \$12,195,000 in 2007. The decrease in stock based compensation was related to vesting of stock options granted in prior years and less stock options being issued in the current year. We value stock options granted to employees, directors and consultants using the Black-Scholes pricing model.

Foreign exchange loss for 2008 was \$391,000 compared to \$3,527,000 in 2007. As proceeds from our convertible debt financing and sale of silver bullion were in US dollars, we now hold a significant portion of our cash in US funds. Therefore, the strengthening of the US dollar versus the Canadian dollar would result in a foreign exchange gain and vice versa. The decrease in foreign exchange loss as compared to the prior year reflected the strengthening in the US dollar versus the Canadian dollar during the year.

	Year ended December 31,	
	2008	2007
Other income (expenses)	\$(000)	\$(000)
Investment income	3,190	6,757
Financing fees	(3,690)	-
Interest expense on convertible debt	(2,769)	-
Gain on sale of silver bullion	23,457	-
Gain on sale of marketable securities	2,105	650
Unrealized gain (loss) on financial instruments held-for-trading	4	(1,801)
Write-down of marketable securities	(5,990)	-
Write-down of other investments	(18,402)	(12,000)
Gain on sale of mineral properties	31,526	493
	29,431	(5,901)

Investment income was \$3,190,000 for 2008 compared to \$6,757,000 in 2007. The decreased investment income was due to lower yields on investments. As a result of significant volatility in the credit market since the fourth quarter of 2007, we opted to mitigate credit risk by investing the majority of our cash and cash equivalents in US and Canadian government treasury bills. These treasuries have lower yields.

In February 2008, we successfully completed a US\$138,000,000 convertible note financing. The convertible notes bear interest at a rate of 4.5% per year and may be redeemed by us on and after March 5, 2013. Financing fees of \$3,690,000 incurred relate to one-time financing expenses including underwriters' commissions, legal fees and auditors' fees associated with the financing.

During 2008, accretion expense and interest expense related to the convertible notes were \$5,344,000 and \$5,698,000, respectively; \$4,039,000 of accretion expense and \$4,234,000 of interest expense were capitalized to construction in progress during the period resulting in \$1,305,000 of accretion and \$1,464,000 of interest expensed in the period.

In March 2008, we sold our silver bullion at an average price of US\$20.30 per ounce for cash proceeds of approximately \$39,244,000. The silver bullion was recorded at a cost of \$15,787,000, resulting in an

after-tax gain of \$23,457,000. No tax expense was recorded as we have sufficient tax pools to offset the taxable gain on the sale.

Gain on sale of marketable securities was \$2,105,000 for 2008 compared to \$650,000 in the prior year as we sold some of our marketable securities during the year.

Unrealized gain on financial instruments held-for-trading during the year was \$4,000 compared to a loss of \$1,801,000 in the prior year. The gain in the current year consists of \$1,412,000 gain on mark-to-market adjustment of foreign exchange options net of \$1,381,000 loss on revaluation of Aurcana convertible debenture and \$27,000 loss on mark-to-market adjustment on stock warrants investments. The unrealized losses in the prior year were primarily related to mark-to-market adjustment of foreign exchange options.

Write-down of other investments in 2008 of \$18,402,000 (2007 - \$12,000,000) relates to the impairment in estimated fair value of our investment in Canadian asset-backed commercial paper, which is further discussed in “Other Investments” in the “Liquidity” section and in the Critical Accounting Estimate sections below. In addition, a mark to market write-down of \$5,990,000 was recorded for available-for-sale marketable securities with decline in fair values that are considered other-than-temporary.

In July 2008, we closed the sale of the Shafter Silver Project in Presidio County, Texas, to Aurcana Corporation (“Aurcana”). Under the terms of the agreement, Aurcana paid us total consideration of \$38,210,000 consisting of \$23,000,000 in cash, 15 million Aurcana common shares with a fair value of \$6,900,000 and a \$10,000,000 convertible debenture with a fair value of \$8,310,000. After deducting transaction cost of \$520,000, the sale of the Shafter Silver Project resulted in a gain on sale of mineral property of \$31,526,000 (after-tax gain of \$18,156,000). In 2007, we sold a number of mineral properties for a total gain of \$493,000.

	Year ended December 31,	
	2008	2007
Income taxes	\$(000)	\$(000)
Current income taxes	15,470	-
Future income taxes	3,416	1,098
	18,886	1,098

For the year ended December 31, 2008, we recorded an income tax expense of \$15,470,000 as compared to \$nil in the prior year. Majority of the income tax expense relates to the sale of the Shafter Silver Project.

Future income tax expense during the year was \$3,416,000 compared to \$1,098,000 in the prior year. During the year, we adopted new accounting guidance requiring recognition of tax benefits or losses used to offset future income tax against unrealized gains or losses on our marketable securities to be recorded in net earnings instead of other comprehensive income. Future income tax expense reflects the tax effect on change in fair value of our marketable securities, which decreased significantly since the third quarter.

Selected Financial Data

The following table sets forth selected financial data from our audited consolidated financial statements and should be read in conjunction with these statements:

	Year ended December 31,		
	2008	2007	2006
	\$(000)	\$(000)	\$(000)
Total revenues	nil	nil	nil
Earnings (loss) for year	(10,489)	(35,223)	16,382
Other comprehensive loss for the year	(16,605)	(5,339)	
Basic and diluted earnings (loss) per share	(0.17)	(0.57)	0.28
Total assets	695,458	498,844	471,013
Long term debt	127,415	nil	nil
Working capital	50,802	117,268	250,234
Cash dividends declared	nil	nil	nil

Summary of Quarterly Results

The following table sets forth selected quarterly financial information for each of our last eight quarters:

Quarter ending (unaudited)	Total Revenues \$	Earnings (Loss) \$(000)	Earnings (Loss) Per Share \$
December 31, 2008	nil	(17,402) ⁽¹⁾	(0.28)
September 30, 2008	nil	11,212 ⁽²⁾	0.18
June 30, 2008	nil	(5,971) ⁽³⁾	(0.10)
March 31, 2008	nil	1,672 ⁽⁴⁾	0.03
December 31, 2007	nil	(14,170) ⁽⁵⁾	(0.23)
September 30, 2007	nil	(13,356) ⁽⁶⁾	(0.21)
June 30, 2007	nil	(6,861) ⁽⁷⁾	(0.11)
March 31, 2007	nil	(836)	(0.01)

Explanatory notes:

- (1) Includes \$3,757,000 foreign exchange loss, \$2,624,000 non-cash stock based compensation expense, \$5,990,000 mark to market write-down of marketable securities and \$2,100,000 of current income tax expense.
- (2) Includes \$18,156,000 after-tax gain on sale of Shafter Silver Project, \$1,656,000 foreign exchange gain, net of \$3,016,000 future income tax expense, \$2,707,000 non-cash stock based compensation expense and \$924,000 unrealized loss on financial instruments held-for-trading.
- (3) Includes \$2,436,000 in non-cash expenses related to value assigned to stock options, \$1,127,000 foreign exchange loss, and \$1,434,000 interest expense on convertible debt.
- (4) Includes \$23,457,000 gain on sale of silver bullion, \$2,837,000 foreign exchange gain, \$1,397,000 gain on financial instruments held-for-trading and \$978,000 gain on sale of marketable securities net of \$18,402,000 write-down in fair value of asset-backed commercial paper.
- (5) Includes \$4,252,000 in non-cash expenses related to value assigned to stock options and a further \$8,000,000 write-down in fair value of asset-backed commercial paper.
- (6) Includes \$4,531,000 in non-cash expenses related to values assigned to stock options, \$4,000,000 write-down in fair value of asset-backed commercial paper, \$2,000,000 foreign exchange loss and a \$1,929,000 loss on the fair value of foreign exchange contracts.
- (7) Includes \$4,004,000 in non-cash expenses related to values assigned to stock options and \$1,889,000 in future income tax expense

Fourth Quarter Results

During the fourth quarter of 2008, we recorded a net loss of \$17,402,000 (\$0.28 per share) as compared to a net loss of \$14,170,000 (\$0.23 per share) for the same quarter of the prior year. The net loss is mainly attributed to foreign exchange loss of \$3,757,000 (2007 - \$1,144,000), non-cash stock based compensation of \$2,624,000 (2007 - \$4,252,000), \$5,990,000 (2007- \$nil) mark to market write-down of

marketable securities with declines in fair value that were considered other than temporary and current income tax expense of \$2,100,000 (2007 - \$nil).

During the fourth quarter of 2008, total capital expenditures on the Pirquitas Project were \$59,493,000 (2007 - \$27,719,000), which includes \$58,153,000 (2007 - \$12,849,000) in construction and mining equipment and \$1,340,000 (2007 - \$12,318,000) in exploration costs. Other significant mineral property expenditures include \$4,334,000 (2007 - \$5,007,000) for the Pitarrilla Project, \$2,317,000 (2007 - \$2,697,000) for the Diablillos Project and \$2,058,000 (2007 - \$1,656,000) for the San Luis Project.

B. Liquidity and Capital Resources

At December 31, 2008, we held \$88,187,000 in cash and cash equivalents and \$13,376,000 in marketable securities.

In 2008, we sold \$134,936,000 (US\$138,000,000) senior convertible notes for net proceeds of \$129,806,000 (US\$133,800,000) after commissions. The unsecured senior Notes mature on March 1, 2028 and bear interest at a rate of 4.5% per annum, payable semi-annually. We intend to use part of the net proceeds of the offering to finance a portion of the development costs of the Pirquitas Project and to use the balance of the net proceeds for the exploration of our other properties, for working capital and for general corporate purposes.

With the development of the Pirquitas mine, we are transitioning from an acquirer of silver projects and assets to a developer of silver projects and producer of silver. During our acquisition phase, we purchased approximately 1.95 million ounces of silver bullion for investment purposes at an average cost of US\$5.85 per ounce. In March 2008, we sold our silver bullion at an average price of US\$20.30 per ounce for proceeds of \$39,244,000 (US\$39,648,000), which will be used to advance our projects to production.

In July 2008, we sold the Shafter silver project in Presidio County, Texas, to Aurcana Corporation. Under the terms of the sales agreement, we received total consideration of \$38.2 million, consisting of \$23 million in cash, 15 million shares of Aurcana with a fair value of \$6.9 million and a \$10 million convertible debenture with a fair value of \$8.3 million (see "Convertible debenture receivable").

Working capital at December 31, 2008 was \$50,802,000 (2007 - \$117,268,000).

Subsequent to year end, we closed a public share offering of 5,450,000 common shares at a price of US\$17.00 per share, for aggregate gross proceeds of \$115,924,000 (US\$92,650,000). After deducting underwriting fees and estimated offering expenses of 6,922,000 (US\$5,533,000), net proceeds were \$109,002,000 (US\$87,117,000).

We have sufficient funds to complete the construction of the Pirquitas mine as well as complete our planned exploration programs for next year.

Operating Activities

Cash flow generated in operations totaled \$18,003,000 in 2008, compared to cash used in operations of \$4,531,000 in 2007. This increase in cash flow generated was attributed to foreign exchange gain on our funds held in U.S. Dollars, offset by financing fees and interest expense related to issuance of convertible debt, additional salaries, professional fees and general and administrative costs.

Financing Activities

During 2008, a net total of \$135,815,000 was raised through financing activities as compared to \$11,794,000 in 2007. The following table shows how the funds were raised:

	Year ended December 31,	
	2008	2007
	\$(000)	\$(000)
Financing activities		
Proceeds from issuance of convertible notes	134,936	-
Financing costs related to equity portion of convertible notes financing	(1,440)	-
Exercise of stock options	2,319	11,794
	135,815	11,794

In 2008, we sold \$134,936,000 (US\$138,000,000) senior convertible notes for net proceeds of \$129,806,000 after commissions. The unsecured senior Notes mature on March 1, 2028 and bear interest at a rate of 4.5% per annum, payable semi-annually. We intend to use part of the net proceeds of the offering to finance a portion of the development costs of the Pirquitas Project and to use the balance of the net proceeds for the exploration of our other properties, for working capital and for general corporate purposes.

A total of 186,100 shares were issued on the exercise of stock options for total proceeds received of \$2,319,000 in 2008 compared to 886,600 shares issued on the exercise of stock options for total proceeds received of \$11,794,000 in 2007. The weighted average price received on the exercise of options was \$12.46 per share in 2008 compared to \$13.30 in 2007.

Investing Activities

Mineral Properties and Capital Expenditures

We spent \$47.4 million (2007 - \$42.7 million) for exploration and \$135.8 million (2007 - \$45.6 million) for construction and mining equipment during the year. A summary of the exploration expenditures by mineral property follows:

	Year ended December 31,	
	2008	2007
	\$(000)	\$(000)
Bowdens	261	607
Candelaria	301	321
Challacollo	227	1,998
Diablillos	6,037	4,768
Pirquitas	7,750	6,267
Pitarrilla	18,443	17,584
San Luis	6,981	8,196
Snowfield	4,949	2,571
Veta Colorada	604	79
Other	1,146	1,232
Changes in non-cash working capital	696	(874)
	47,395	42,749

The above table reflects cash expenditures incurred by property. It does not include non-cash charges.

Pirquitas Project

A total of \$166,288,000 was incurred at the Pirquitas property in Argentina during the year, which includes \$158,538,000 on mine construction and mining equipment and \$7,750,000 in exploration activities.

Construction is progressing well on the project. The commissioning and process operations teams are in place and preparing for start-up. The plan is to start-up the silver circuit initially and then follow with the tin circuit once the silver process is operating. The Operations crews are advancing well with the open pit pre-stripping. Continuous shift operations are now well established, and we have seen success with the utilization of a high percentage of local people in our operator compliment. Local community employment is high, and we are well supported by the local communities.

In May 2008 we updated the proven and probable silver reserves at Pirquitas, with silver reserves increasing by 43% to 195.1 million ounces. Based on the increased reserves, Pirquitas mine life has been extended to 14.5 years, an increase of 4.5 years from the November 2007 reserve update. The reserve is indicative of the geologic potential of the Pirquitas system and does not incorporate any deepening of the initial pit. The deposit remains open at depth. The approximate 50% increase in mine life not only adds robustness to the project, but enables a greater window of opportunity for further exploration activities. The updated reserve estimate incorporates drill data from an additional 74 reverse circulation drill holes totaling 16,850 meters of in-pit and pit wall drilling, uses metal prices of US\$11.00/ounce silver, US\$5.00/lb tin and US\$1.05/lb zinc and is based on a new Whittle pit using total operating costs of US\$22 per tonne.

In February 2009, we updated the capital cost estimate for the project to US\$230 million plus IVA from the previous capital cost estimate of US\$220 million plus IVA as inflation in wages and local inputs continues to place pressure on costs. In developing the previous cost estimate in November 2007, we estimated inflation for wages and other inputs within Argentina significantly higher than the official rate. With inflation exceeding company estimates, the estimated cost to complete the construction of Pirquitas has increased to US\$230 million or 5% over the 2007 estimate. With eight months of mining experience and in-country administration, the company estimates that mining, milling and administration costs will now average US\$26/tonne over the life of the mine. As of December 31, 2008, the Company had expended US\$194 million in construction costs of the total estimated US\$230 million.

With production ramping up through Q2, Pirquitas is expected to produce in excess of six million ounces of silver in 2009 with full production in excess of 10 million ounces in 2010.

The government of Argentina is proposing to adopt a tax on the export of concentrates for projects with fiscal stability agreements predating 2002. The Pirquitas Project has a fiscal stability agreement dating from 1998 and may be subject to this proposed export tax. Legality of the export tax is under review by the court in Argentina.

San Luis Project

A total of \$6,981,000 was spent at the San Luis Joint Venture Project in Peru during the year compared to \$8,196,000 in 2007.

Infill diamond drilling on the project's Ayelén Vein was completed in 2007. In 2008, a 6,600 meter diamond drilling program was completed, which tested a number of targets on this large property package (approximately 96 square miles). Exploration targets focused on the BP Zone where brecciated volcanic rocks hosting copper-zinc-lead sulphide mineralization have been sampled over a broad area.

Quartz vein systems where channel sampling has identified structures enriched in gold and silver will also be tested. A revised resource estimate was completed in the fourth quarter of 2008, which defined a measured and indicated resource of 348,000 ounces of gold resources and 9.0 million ounces of silver resources. A feasibility study on placing the project in production has commenced and is expected to be completed in the first half of 2009.

We currently hold a 55% interest in the San Luis Project and have elected to increase our interest to 70% by completing a feasibility study. We have the right to increase our interest in the San Luis Joint Venture to 80% by placing the project in production. The remaining joint venture interest is held by Esperanza Silver Corporation.

Pitarrilla Project

A total of \$18,443,000 was spent on our Pitarrilla Project in Mexico during the current year compared to \$17,584,000 in 2007.

In August 2008, we reported an increase in the silver resources at the Breccia Ridge Zone. Project resources now total 159.9 million ounces of measured silver resources, 483.7 million ounces of indicated silver resources and 82.3 million ounces of inferred silver resources, placing Pitarrilla among the largest silver discoveries in the last decade. Infill and exploration drilling of the Breccia Ridge Zone is ongoing with three drills on site. Work on a 2.5 kilometer-long decline is continuing, which will provide underground drilling stations for the high grade silver and base metal mineralization of the Breccia Ridge Zone. The portal and more than 1,300 meters of ramp excavation have been completed to date.

An engineering pre-feasibility study is nearing completion and focuses initially on developing the underground sulphide-associated, base metal and silver mineralization found at Breccia Ridge. A second study focusing on development of the potential open pit resources is in progress.

Diablillos Project

A total of \$6,037,000 was spent at the wholly-owned Diablillos Project in Argentina during the year compared to \$4,768,000 in 2007.

We completed an 11,000-meter diamond drill program during 2007 and early 2008 on the project. During the latter part of 2008, a further 5,063 meters of drilling was completed. The objective of the program was to better define the inferred resource of 93.8 million ounces of silver resources and 815,000 ounces of gold resources. We are in the process of preparing an updated resource estimate and conducting a metallurgical program for the Diablillos Project. We have also engaged a Qualified Person as defined in NI 43-101 to prepare an updated resource estimate for the Diablillos Project, which is expected to be completed in the second quarter of 2009. Dependent on the results of the resource estimate and the metallurgical program, we will advance a pre-feasibility study on the economics of developing the Diablillos Project.

Snowfield Project

A total of \$4,949,000 was spent at the wholly-owned property in Canada during the year compared to \$2,571,000 in 2007.

In February 2009, the company reported a five-fold increase in gold resources at the wholly-owned Snowfield Project in northern British Columbia, Canada. The increased gold resource is now comprised of measured and indicated gold resources totalling 4,362,000 ounces and inferred gold resources of

14,276,000 ounces using a cut-off grade of 0.5 grams of gold-equivalent per tonne. The property is located 65 kilometres north of the town of Stewart and 20 kilometres southeast of Barrick's high-grade gold-silver mine at Eskay Creek.

The resource estimate is based on 96 diamond drill holes completed in 2006-2008, two re-sampled historical holes, collectively totalling 33,922 meters and 15 trenches totalling 126 meters of surface chip sampling.

A geological review is underway to assess the potential for expanding the mineralization at Snowfield and the adjacent Sulphurets Project held by Silver Standard. A follow-up program is being planned for 2009.

San Agustin Project

The San Agustin property is located 85 kilometers north of Durango City in Durango, Mexico.

In February 2009, an exploration company that had an option to acquire the property elected to not exercise its option. As a result, the property has been improved by over \$10 million in exploration expenditures and is now the focus of an updated resource estimate commissioned by Silver Standard. The property appears to host a significant gold, silver and base metal resource.

As a result of developments at Snowfield and San Agustin, the company's exposure to gold resources has expanded significantly.

Purchase and Sale of Marketable Securities

In 2007, we participated in a private placement to acquire 996,000 units of Esperanza Silver Corporation for \$3,648,000. Each unit is composed of one common share and one-half of a two year warrant with an exercise price of \$4.35.

We received \$812,000 in proceeds on the sale of marketable securities in 2007 compared with \$52,410,000 in 2006. The amount in 2006 was due to the sale of all of our Pan American Silver Corp. shares received from sale of our 50% interest in the Manantial Espejo Project for proceeds of \$51,955,000.

Financial Position

Cash

At December 31, 2008, we had a cash and cash equivalent balance of \$88,187,000 as compared to \$80,629,000 at December 31, 2007. The increase is mainly attributed to:

- \$134,936,000 raised from the convertible debt financing in February;
- \$39,244,000 cash proceeds from sale of silver bullion in March;
- \$23,000,000 cash proceeds from the sale of the Shafter Project in July;

net of:

- \$47,395,000 (2007 - \$42,749,000) spent on mineral properties;
- \$135,771,000 (2007 - \$45,556,000) spent to advance the development of Pirquitas.

Silver Bullion

In March 2008, we sold our silver bullion for cash proceeds of \$39,244,000 (US\$39,648,000). As at December 31, 2007, the silver bullion was recorded on our balance sheet at a cost of \$15,787,000. The

sale resulted in a gain of \$23,457,000. No tax expense was recorded as we have sufficient tax pools to offset the taxable gain on the sale.

Marketable Securities

Our marketable securities at December 31, 2008 have a carried cost of \$10,449,000 and a market value of \$13,376,000 for an unrealized loss of \$2,927,000 compared to a carried cost of \$10,235,000 and a market value of \$33,209,000 for an unrealized gain of \$22,974,000 at December 31, 2007. These investments were made in various mineral exploration companies and are considered to be liquid.

Convertible debenture receivable

As part of considerations received for sale of the Shafter Silver Project (see “Liquidity”), we received a \$10 million convertible debenture (“Debenture”) from Aurcana Corporation (“Aurcana”). The Debenture has a three-year term, a coupon rate of 3% and is convertible at our option into 6,600,000 Aurcana common shares at \$1.515 per share. The Debenture is fully secured by general assets of Aurcana.

The note receivable component of the Debenture is designated as loans and receivable financial instrument. At initial recognition, the fair value of the note receivable component was estimated at \$6,868,000 using the discounted cash flow model method at market rate. The note receivable component is accreted over an expected life of 3 years using the effective interest method. As at December 31, 2008, the book value of the note receivable component of the Debenture was \$7,254,000. Interest and accretion income of \$526,000 was recorded to earnings in relation to the Debenture.

The conversion feature of the Aurcana Debenture is classified as a held-for-trading financial instrument by default. The fair value of conversion feature was estimated, at initial recognition, to be \$1,442,000 and is re-valued at each period end based on the Black-Scholes valuation model. As at December 31, 2008, the fair value of the conversion feature was \$61,000. As a result, an unrealized loss of \$1,381,000 on financial instruments held-for-trading was recorded to net earnings during the period

Other Investments

As at December 31, 2008, we had a total of \$57,102,000 invested in Canadian asset-backed commercial paper (“ABCP”). At the dates at which we acquired the investments, the non-bank sponsored ABCP was rated R-1 high by DBRS Limited (“DBRS”), the highest credit rating for commercial paper. In August 2007, the ABCP market experienced liquidity problems and was subsequently frozen. In September 2007, a Pan Canadian Committee (the “Committee”) consisting of a panel of major ABCP investors was formed to restructure the affected ABCP trusts.

At December 31, 2007, based on the limited data available, we estimated the fair values of our ABCP investments to be \$45,102,000 using a valuation technique which incorporates a probability weighted approach applied to discounted future cash flows and an impairment of \$12,000,000 was recorded in 2007.

On December 24, 2008, the Committee confirmed that an agreement has been reached with all key stakeholders, including the involvement of provincial and federal governments. In January 2009, the Committee successfully obtained the final court approval to complete the restructuring.

On January 28, 2009, we received the restructured notes with a face value of \$57,142,000 and first interest payment of \$2,031,000.

The restructured notes are allocated as follow:

- o \$37,004,000 in Class A-1 Notes
 - Senior notes, with the other series of notes subordinated to them
 - Expected to have an A rating with maturities ranging from 6 to 8 years
 - Expected to have a coupon rate of Bankers' Acceptances (BA) Rate less 0.5%.
- o \$13,089,000 in Class A-2 Notes
 - Senior to the Class B Notes
 - Expected to have an A rating with a maturity of 8 years
 - Expected to have a coupon rate of BA Rate less 0.5%.
- o \$2,376,000 in Class B Notes
 - Senior to the Class C Notes
 - Expected to be unrated with a maturity of 8 years
 - Expected to have a coupon rate of BA Rate less 0.5%.
- o \$1,623,000 in Class C Notes
 - Senior to the Ineligible Assets (IA) Tracking Notes
 - Expected to be unrated with a maturity of 8 years
 - Expected to have a coupon rate of BA plus 20.0%.
- o \$3,050,000 in IA Tracking Notes
 - Expected to be unrated with a maturity of 8 years
 - Expected to have a coupon rate equivalent to the net rate of return generated by the specific underlying assets.

As no secondary market has been developed for these restructured notes as at December 31, 2008, we estimated the fair value of our restructured notes using a valuation technique which incorporates a probability weighted approach applied to discounted future cash flows from the restructured notes and the fair value of our investments based on the indicative values contained in a report issued by J.P. Morgan, financial advisor to the Committee. Based on our best estimate, the fair value of our restructured notes at December 31, 2008 was \$26,700,000, resulting in an impairment of \$18,402,000 recorded in 2008. There is currently no certainty regarding the development of a secondary market for the restructured notes and therefore the fair value reported may change materially in subsequent periods.

In July 2008, we initiated legal action against a Canadian chartered bank and DBRS by filing a writ and statement of claim in the Supreme Court of British Columbia to recover any losses that may occur with respect to the ultimate recovery of our ABCP investments. There can be no assurance that the outcome of this litigation will be favourable to us.

Long-term Contractual Obligations

The following table discloses our contractual obligations:

	Less Than 1 Year	1-3 Years	4-5 Years	5+ Years	Total
	\$(000)	\$(000)	\$(000)	\$(000)	\$(000)
Lease obligations	301	606	412	-	1,319
Asset retirement obligations	287	1,648	1,204	2,629	5,768
Long-term convertible notes*	7,605	15,210	180,402	-	203,217
Total	8,193	17,464	182,018	2,629	210,304

* Convertible notes are due in 2028 but expected to be repaid in 2013. The notes bear an interest rate of 4.5% per annum and are convertible into common shares at a fixed conversion rate upon specified events.

Additional Disclosures

Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in our internal control over financial reporting during the year ended December 31, 2008 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet financing arrangements.

Related Party Transactions

During the year ended December 31, 2008, we recorded administrative, technical services and expense reimbursements of \$1,333,000 (2007 - \$426,000) from companies related by common directors or officers. At December 31, 2008, accounts receivable include \$52,000 (2007 - \$111,000) from these related parties. Any amounts due from related parties are non-interest bearing and without specific terms of repayment. Any transactions for expense reimbursement with related parties are at normal business terms.

Outstanding Share Data

The authorized capital consists of unlimited common shares without par value. As at March 10, 2009, the following common shares, options and share purchase warrants were outstanding:

	Number of Shares	Exercise Price \$	Remaining Life (years)
Capital stock	68,233,047	-	-
Stock options	4,988,750	\$10.50 - \$40.62	0.8 - 9.8
Fully diluted	73,221,797	-	-

Subsequent Events

- (a) In February 2009, we closed a public share offering of 5,450,000 common shares at a price of US\$17.00 per share, for aggregate gross proceeds of \$115,924,000 (US\$92,650,000). After deducting underwriting fees and estimated offering expenses of \$6,922,000 (US\$5,533,000), net proceeds were \$109,002,000 (US\$87,117,000). On March 31, 2009, we closed an over-allotment option under the offering, pursuant to which we sold an additional 375,713 common shares at US\$17.00 per share, for aggregate gross proceeds of \$8,049,000 (US\$6,387,000).
- (b) In February 2009, Geologix Explorations Inc. elected not to exercise its option to acquire 100% interest in the San Agustin property. As a result, the San Agustin property, which contains estimated resources of 1.61 million ounces of indicated gold, 1.08 million ounces of inferred gold,

48.3 million ounces of indicated silver and 37.3 million ounces of inferred silver, was returned to us.

Financial Instruments and Other Instruments

Our financial instruments consist of cash and cash equivalents, marketable securities, accounts receivable and accounts payable. It is management's opinion that we are not exposed to significant interest, currency or credit risks arising from our cash and cash equivalents, accounts receivable and accounts payable.

We are exposed to currency risk on the acquisition and exploration expenditures on our properties since we have to settle expenditures either in local currency or US dollars. Our expenditures are negatively impacted by increases in value of either the US dollar or local currencies versus the Canadian dollar.

Risks and Uncertainties

As a mineral exploration and development company, we are exposed to a number of risks and uncertainties. See Item 3.D.-"Risk Factors".

C. Research and Development, Patents and Licenses, etc.

We are a mineral exploration and development company with no producing properties and, as such, the information required by this item is inapplicable.

D. Trend Information

We are a mineral exploration and development company with no producing properties, and, as such, the information required by this item is inapplicable.

E. Off-Balance Sheet Arrangements

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

F. Tabular Disclosure of Contractual Obligations.

See Item 5.B – "Liquidity and Capital Resources".

G. Safe Harbor.

See "Note Regarding Forward-Looking Statements".

Item 6 Directors, Senior Management and Employees

A. Directors and Senior Management

The following table lists as of February 28, 2009 the names of our directors and senior management. Each of the directors and senior officers has served in his or her respective capacity since his or her election and/or appointment and each director will serve until the next annual general meeting of shareholders or until a successor is duly elected, unless the office is vacated in accordance with our Articles.

Table No. 35
Our Directors and Senior Management

Name	Position with Silver Standard	Date of First Appointment	Age
A.E. Michael Anglin ⁽²⁾⁽⁵⁾	Director	August 2008	53
John R. Brodie, FCA ⁽¹⁾⁽²⁾⁽³⁾	Director	January 2006	64
Richard C. Campbell, MBE ⁽¹⁾⁽⁴⁾⁽⁵⁾	Director	August 2008	62
R.E. Gordon Davis ⁽¹⁾⁽³⁾⁽⁴⁾	Director	February 1996	70
David L. Johnston ⁽¹⁾⁽⁴⁾⁽⁵⁾	Director	May 2000	69
Richard D. Paterson ⁽²⁾⁽³⁾	Director	August 2008	66
Robert A. Quartermain ⁽¹⁾	President, CEO and Director	January 1985	54
Peter Tomsett ⁽¹⁾	Director	November 2006	51
Kenneth C. McNaughton ⁽¹⁾	Vice President, Exploration	July 1991	50
Joseph J. Ovsenek ⁽¹⁾	Senior Vice President, Corporate	February 2003	50
George N. Paspalas ⁽¹⁾	Senior Vice President, Operations	June 2007	46
Tom S.Q. Yip ⁽¹⁾	Vice President, Finance and CFO	July 2007	51

- (1) Resident of Canada
- (2) Member of the Audit Committee
- (3) Member of the Compensation Committee
- (4) Member of the Corporate Governance and Nominating Committee
- (5) Member of the Safety and Sustainability Committee

Our Board of Directors and Senior Management

The following is a brief description of the business experience and principal business activities of our directors and senior management:

A.E. Michael Anglin

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 later attained a Master of Science degree from the Imperial College in London in 1985. Mr. Anglin spent 22 years with BHP, most recently serving as Vice President Operations and Chief Operating Officer of the Base Metals Group based in Santiago, Chile, before retiring in 2008.

John R. Brodie, FCA

Mr. Brodie is our audit committee financial expert and Chair of our Audit Committee. Mr. Brodie has been the President of John R. Brodie Capital Inc., a private consulting firm, since 2003. From 1975 to 2003, Mr. Brodie was a partner at KPMG LLP and from 1987 to 1995 served as a director of KPMG LLP. Mr. Brodie graduated from the University of Manitoba with a Bachelor of Science degree in 1967 and attended the Stanford Executive Program at Stanford University in 1982. He is a member of the

Canadian Institute of Chartered Accountants, British Columbia Institute of Chartered Accountants and a lifetime member of Certified Fraud Examiners. Mr. Brodie was elected a Fellow and awarded the FCA designation by the Institute of Chartered Accountants of British Columbia in 2003 for distinguished service to the accounting profession. Mr. Brodie is also a director of Western Canadian Coal Corp., Far West Mining Inc., Ag Growth Income Fund, Rubicon Minerals Corporation, Pacific Safety Products and Cross Lake Minerals Ltd.

Richard C. Campbell, MBE

Mr. Campbell is the Chair of our Safety and Sustainability Committee. Mr. Campbell graduated with a Bachelor of Science (Honours) degree in Geology from Glasgow University in 1969. He spent the following 32 years with BP, most recently serving as President of BP Alaska before retiring in 2001. Mr. Campbell was awarded membership of the Order of British Empire (MBE) by Queen Elizabeth II in 1994 for his contribution to British commercial interests in Colombia while serving as President of BP in Colombia.

R.E. Gordon Davis

Mr. Davis is Chair of our Corporate Governance and Nominating Committee. Mr. Davis was a director and senior executive with Dynasty Explorations Ltd. and its successor corporation, Cyprus Anvil Mining Corporation, from 1964 to 1982. Since 1982, Mr. Davis has been a director of a number of resource companies, including Pine Point Mines Ltd., Cabre Exploration Ltd., Golden Knight Resources Inc. and Northern Crown Mines Ltd. In addition, Mr. Davis has been a director of Canplats Resources Corporation (“Canplats”) since October 1999, the President of Canplats from March 2000 to December 2007 and Chairman and Chief Executive Officer of Canplats since December 2007. Mr. Davis also serves as a director of Pacific Ridge Exploration Ltd. Mr. Davis graduated with a Bachelor of Applied Science degree in Geological Engineering in 1962 and is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia.

David L. Johnston

Mr. Johnston is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia with a lengthy career in senior management at several major Canadian mining companies. Prior to his election to our Board, Mr. Johnston was president and general manager from 1996 to 1999 of Highland Valley Copper Corporation, operator of North America’s third largest open pit copper mine. From 1990 to 1996, he served as vice president of Cominco Metals, and from 1985 to 1990, he was president of Pine Point Mines Ltd., operator of a significant open pit lead-zinc mine in Canada’s Northwest Territories. Mr. Johnston is also a director of Copper Canyon Resources Ltd. and Eagle Plains Resources Ltd. Mr. Johnston graduated with a Bachelor of Applied Science degree in Mining Engineering in 1963 and a Master of Science degree in Mineral Engineering in 1969.

Richard D. Paterson

Mr. Paterson is the Chair of our Compensation Committee. Mr. Paterson graduated from Concordia University, Montreal with a Bachelor of Commerce degree in 1964. Mr. Paterson has been a Managing Director of Genstar Capital, a private equity firm specializing in leveraged buyouts, since 1988. Before founding Genstar Capital, Mr. Paterson served as Senior Vice President and Chief Financial Officer of Genstar Corporation, a NYSE-listed company, where he was responsible for finance, tax, information systems and public reporting. During the last 10 years, two companies of which Mr. Paterson is a director, or was a director at the time, have become subject to bankruptcy proceedings under the U.S. Bankruptcy Code.

Robert A. Quartermain

Mr. Quartermain is our President and Chief Executive Officer and our only non-independent director. He is responsible for our day-to-day operations as well as strategic planning and the raising of capital to fund our operations. Mr. Quartermain has served as our President and the Chief Executive Officer since January 1985. Mr. Quartermain graduated in 1977 from the University of New Brunswick with a Bachelor of Science degree in Geology and from Queen's University in 1981 with a Master of Science degree in Mineral Exploration. Mr. Quartermain is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia.

Peter W. Tomsett

Mr. Tomsett is the Chair of our Board. Mr. Tomsett graduated with a Bachelor of Engineering (Honours) degree in Mining Engineering from the University of New South Wales, later attaining a Master of Science (Distinction) degree in Mineral Production Management from the Imperial College in London. Mr. Tomsett spent 20 years at Placer Dome Inc., most recently serving as President and Chief Executive Officer until its acquisition by Barrick Gold Corporation. Mr. Tomsett is also Chairman of Equinox Minerals Limited and a director of North American Energy Partners Inc.

Kenneth C. McNaughton

Mr. McNaughton has served as our Vice President, Exploration since July 1991. Before joining Silver Standard, Mr. McNaughton worked as a contract engineer for Orectech Engineering, Inc. and worked on exploration programs for three bulk mineable gold or copper/gold deposits in Arizona and British Columbia. From 1984 to 1989, he was employed by Corona Corporation and its affiliate, Mascot Gold Mines Ltd., as a project geologist and engineer for projects in British Columbia. Mr. McNaughton earned a Bachelor of Applied Science degree and Master of Applied Science degree in Geological Engineering in 1981 and 1983, respectively, from the University of Windsor, and is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. McNaughton was a director of Minco Silver Corporation until his resignation on March 6, 2009.

Joseph J. Ovsenek

Mr. Ovsenek has served as our Senior Vice President, Corporate since February 2003. Mr. Ovsenek graduated from the University of British Columbia with a Bachelor of Applied Science degree in Mechanical Engineering in 1983 and from the University of Toronto with a Bachelor of Laws degree in 1989. Mr. Ovsenek is a registered member of the Association of Professional Engineers and Geoscientists of British Columbia.

George N. Paspalas

Mr. Paspalas has served as our Senior Vice President, Operations since June 2007. Before joining Silver Standard, Mr. Paspalas held management positions with Placer Dome Inc., most recently as Senior Vice President Projects - Technical Development and previously as President and Chief Executive Officer of Placer Dome Africa. He has worked for over 20 years in the resource industry in management, technical and operational roles. His regional experience includes North and South America, South East Asia, the Pacific Rim, Africa, Europe and Japan. He earned a Bachelor of Engineering (Chemical) degree with Honours from the University of New South Wales in 1984.

Tom S.Q. Yip

Mr. Yip has served as our Vice President, Finance and Chief Financial Officer since July 2007. Prior to joining Silver Standard, Mr. Yip held the position of Vice-President and Chief Financial Officer at Asarco, LLC. He also worked for 20 years at Echo Bay Mines Ltd. and served as its Vice-President, Finance and Chief Financial Officer before the company merged with Kinross Gold Corporation in 2003. Mr. Yip is a chartered accountant and holds a Bachelor of Commerce degree in Business Administration from the University of Alberta.

B. Compensation

Named Executive Officers

Set out below are particulars of compensation paid to the following persons (the “Named Executive Officers”):

- (a) the Company’s chief executive officer (“CEO”);
- (b) the Company’s chief financial officer (“CFO”);
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither one of our executive officers nor acting in a similar capacity at the end of that financial year.

As at December 31, 2008, the end of the most recently completed financial year of the Company, we had five Named Executive Officers, whose names and positions held with us are set out in the summary compensation table below.

Compensation Discussion & Analysis

Compensation for each of our Named Executive Officers is comprised of a base salary, a short term incentive award and a long-term incentive award. Since October 2006, we have been transitioning from a mineral exploration company to a metals producer. Our compensation program has developed over time to attract and retain individuals that can contribute to our growth and to our transition from a mineral exploration company to a metals producer. As we have not had revenue, our compensation program was developed for a company without revenue and as such provides us with maximum flexibility in determining executive compensation as described below. In general terms, our compensation program is intended to operate in an integrated manner to meet our objectives for the program and decisions about each element of the compensation program are made with a view to the other elements of the program. For example, where warranted, in circumstances where we consider it prudent to conserve cash by paying salaries and awarding short term incentive bonuses in lower amounts than would otherwise be the case, we may increase long term incentives through stock option awards over prior years to ensure that the recruitment, retention and reward objectives of the compensation program continue to be met.

In anticipation of achieving producer status in 2009, we have retained a compensation consultant to assist us in designing a cohesive compensation program that is commensurate with our producer status. We

anticipate that this plan will be comprised of the same three elements; however, we expect that it will provide for the setting of objective and subjective performance goals aligned to achieve our short and long term objectives. We have described below how we expect this proposed compensation program will impact our compensation awards.

Base Salary

The base salary of our Named Executive Officers is designed to attract and retain Named Executive Officers that can contribute to our growth and to our transition from a mineral exploration company to a metals producer. During the last several years competition among resource companies for skilled executive officers has been intense and the base salaries of newly hired Named Executive Officers have been established through negotiation in the market place, which has generally resulted in the upward adjustment of the base salaries of our existing Named Executive Officers. Base salary levels for each year are determined in December of the preceding year and are used to retain Named Executive Officers that contribute through the year to our growth and our transition to a producer. For 2008, Named Executive Officers, base salaries were established by our Compensation Committee, in consultation with our CEO, based on discussion without formal objectives, criteria or analysis. For 2009, our Compensation Committee determined not to award any increases in base salary as a result of the global financial crisis, which has, amongst other things, impacted negatively on metal prices. This decision was based on discussion, in consultation with our CEO, without formal objectives, criteria or analysis.

Going forward, with the assistance, and subject to the advice, of our compensation consultant, our Compensation Committee plans to investigate establishing a peer group of companies, with which to benchmark the base salaries of our Named Executive Officers.

Short Term Incentive Award

Short-term incentive awards are used to reward Named Executive Officers for their performance during the year and to incentivize Named Executive Officers for the following year. The awards are comprised of cash bonuses in amounts determined by the Compensation Committee, in consultation with our CEO, on a case-by-case basis based on performance in December of each year. For 2008, Named Executive Officers' cash bonuses were awarded by our Compensation Committee for the Named Executive Officers' contributions, in their respective areas of responsibility, for the continued success of our ongoing transition from a mineral exploration company to a metals producer, which was measured by the state of progress of construction at the Pirquitas Project and attainment of capital resources sufficient to fund construction of the Pirquitas Project and exploration to increase silver resources. The amounts of the cash bonuses were determined by our compensation committee by discussion, in consultation with our CEO, taking into account past short term incentive awards.

For 2009, with the assistance, and subject to the advice, of our compensation consultant, our Compensation Committee anticipates establishing a short term incentive award program that will provide for the setting of objective and subjective performance goals for the company and for each of the Named Executive Officers. As currently contemplated, the Compensation Committee, through consultation with the CEO, will annually establish corporate performance objectives and performance objectives for the CEO, and the CEO will be responsible for establishing performance objectives for each of the other Named Executive Officers in consultation with the other Named Executive Officers.

Long Term Incentive Awards

Our long term incentive awards consist of stock options, which are in general awarded in December of each year. Stock options are used to retain our Named Executive Officers while aligning their interests

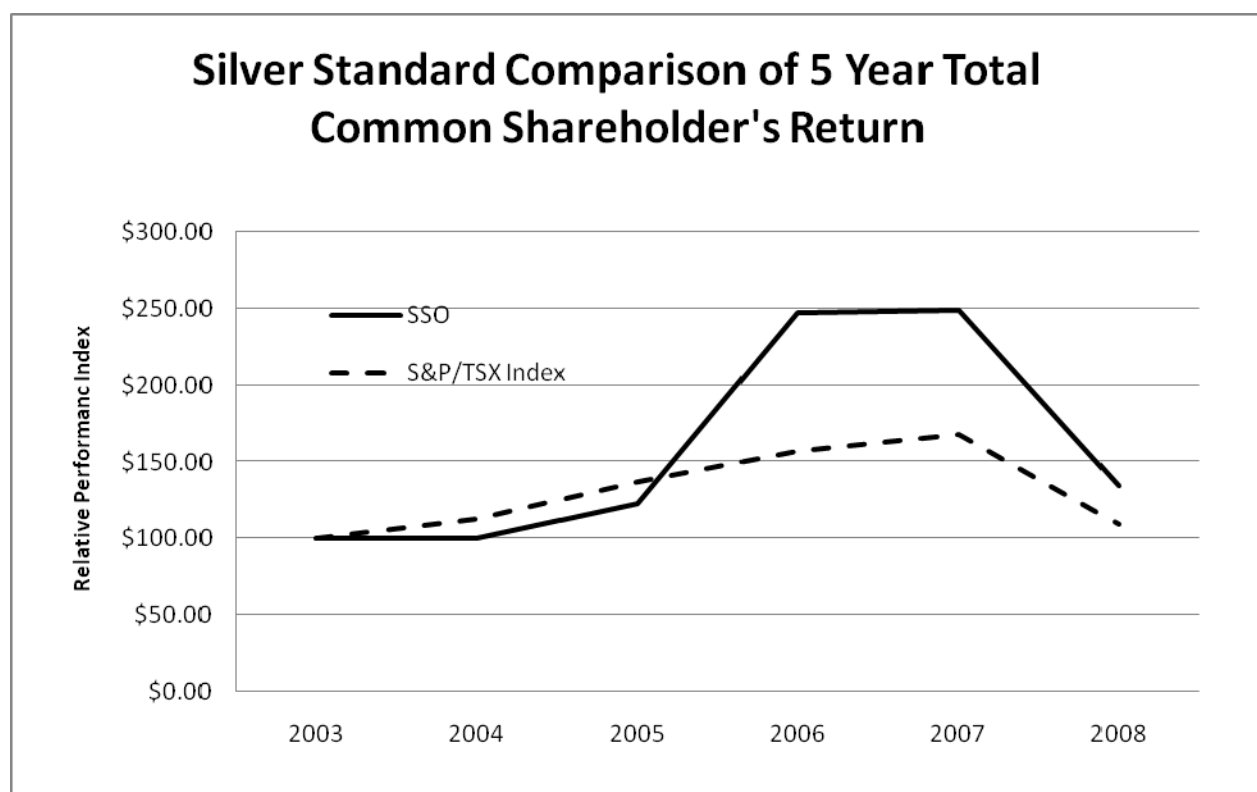
with those of our shareholders by providing our Named Executive Officers with an incentive to grow our company and increase the wealth of our shareholders, through an increase in our share price. In 2008, our Compensation Committee established a vesting schedule and option term focused on the retention of our Named Executive Officers and other employees. Under this retention program, $\frac{1}{3}$ of granted options vest one year after the date of grant, $\frac{1}{3}$ of granted options vest two years after the date of grant and the remaining $\frac{1}{3}$ of granted options vest three years after the date of grant, with options granted for a ten year term, subject to certain conditions. Previously, options generally vested 50% at the date of grant and 50% after a period of two years and had five year terms.

In 2008, stock options were granted to our Named Executive Officers by our Compensation Committee. The number of options granted to each Named Executive Officer was determined by the Compensation Committee, in consultation with our CEO through discussion, without formal objectives, criteria or analysis, but taking into account past stock option awards, individual performance, ability to contribute to our long term growth and the need to retain our Named Executive Officers through the global financial crisis.

Performance Graph

The following chart compares the total cumulative shareholder return for \$100 invested in common shares of the Company since December 31, 2003, with the cumulative total return of the S&P/TSX Composite Index for the five most recently completed fiscal years of the Company.

Silver Standard Resources Inc.
Comparison of Five Year Total Common Shareholder's Return
(as at December 31 of each year)



For the financial years ended	2003	2004	2005	2006	2007	2008
Common Shares of Silver Standard Resources Inc.	100.00	99.86	122.77	247.07	248.79	134.23
S&P/TSX Composite Total Return Index	100.00	112.48	137.12	157.02	168.27	109.33

Under our existing compensation program, base salary for each year is determined in December of the preceding year, while short term incentive awards and long-term incentive awards for each year are determined in December of that year. From 2003 to mid-2007, of our Named Executive Officers, only Robert A. Quartermain, Joseph J. Ovsenek and Kenneth C. McNaughton were employed by us. During this period their compensation (base salary, short term incentive awards and long term incentive awards) increased with the trend for this period in the above graph. Midway through 2007, Tom S.Q. Yip and George N. Paspalas became executive officers and their base salary and long term incentive awards were determined by competitive compensation levels then prevailing in the market place. In December 2007, the base salary for our Named Executive Officers increased due to the continued competition for skilled executive officers though the trend of the above graph remained flat. For this period, short term incentive awards and long term incentive awards decreased from prior years for Robert A. Quartermain, Joseph J. Ovsenek and Kenneth C. McNaughton (George N. Paspalas and Tom S.Q. Yip were not employed during the comparative period), while the trend line in the above graph remained flat. In December 2008, base salary for our Named Executive Officers was not increased and short term incentive awards were decreased due to the global financial crisis in keeping with the downward trend of the above graph. In order to retain key employees through the global financial crisis, long term incentive awards were increased over the prior year in contrast to the downward trending graph.

Option-Based Awards

The granting of stock options to date has been based on discussion by our Compensation Committee, in consultation with our CEO, taking into account prior option grants. Amendments to our stock option plan are proposed by our Compensation Committee in consultation with our executive officers. Our Compensation Committee then submits the proposed amendments to our board of directors for approval.

As discussed above, we have retained a compensation consultant to assist us in establishing a cohesive compensation program that incorporates base salary, short term incentive awards and long term incentive awards, focused on achieving our corporate objectives.

Summary Compensation Table

The following table is a summary of compensation paid to our Named Executive Officers for our most recently completed financial year.

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		All other compensation ⁽³⁾ (\$)	Total compensation (\$)
				Annual incentive plans	Long-term incentive plans		
Robert A. Quartermain President and CEO	2008	425,000	1,245,000	100,000	-	10,868	1,780,868
Tom S.Q. Yip Vice President, Finance and CFO	2008	260,000	249,000	25,000	-	11,030	544,000
Joseph J. Ovsenek Senior Vice President, Corporate	2008	275,000	996,000	85,000	-	10,313	1,366,313

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		All other compensation ⁽³⁾ (\$)	Total compensation (\$)
				Annual incentive plans	Long- term incentive plans		
George N. Paspalas Senior Vice President, Operations	2008	320,000	996,000	85,000	-	22,203	1,423,203
Kenneth C. McNaughton Vice President, Exploration	2008	200,000	415,000	50,000	-	10,683	675,683

- 1) A portion of the salaries of certain of the Named Executive Officers was recovered from a related company under a management services agreement. The management services agreement was terminated during the year ended December 31, 2008.
- 2) Option-based compensation is valued using the Black-Scholes option pricing model with a grant date of December 11, 2008 and a grant price of \$11.50/share. We selected the Black-Scholes model because it is widely used in estimating option based compensation values by Canadian public companies. Awards vest one-third per year commencing on the first anniversary of the award and have a ten year term.
- 3) All Other Compensation, for all Named Executive Officers other than George Paspalas, is comprised of term life insurance payments and group registered retirement savings plan ("RRSP") payments made on behalf of the employee by us. For George Paspalas, all Other Compensation is comprised of a car allowance and term life insurance payments and RRSP payments made on behalf of the employee by us.

Incentive Plan Awards

Outstanding Share-Based Based Awards and Option Based Awards

The following table sets out all option-based awards outstanding for each Named Executive Officer at December 31, 2008. Our Named Executive Officers do not have any outstanding share-based awards.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in- the-money options ⁽¹⁾ (\$)
Robert A. Quartermain	100,000	14.47	Dec. 31, 2009	498,000
	200,000	16.73	Dec. 20, 2010	544,000
	200,000	21.30	July 27, 2011	-
	400,000	35.34	Dec. 11, 2011	-
	100,000	36.14	Dec. 18, 2012	-
	150,000	11.50	Dec. 11, 2018	1,192,500 ⁽²⁾
Tom S.Q. Yip	150,000	38.88	July 16, 2012	-
	50,000	36.14	Dec. 18, 2012	-
	30,000	11.50	Dec. 11, 2018	238,500 ⁽²⁾
Joseph J. Ovsenek	30,000	14.47	Dec. 31, 2009	149,400
	120,000	16.73	Dec. 20, 2010	326,400
	120,000	21.30	July 27, 2011	-
	200,000	35.34	Dec. 11, 2011	-
	50,000	36.14	Dec. 18, 2012	-
	120,000	11.50	Dec. 11, 2018	954,000 ⁽²⁾
George N. Paspalas	200,000	40.62	May 3, 2012	-
	50,000	36.14	Dec. 18, 2012	-
	120,000	11.50	Dec. 11, 2018	954,000 ⁽²⁾
Kenneth C. McNaughton	75,000	16.73	Dec. 20, 2010	204,000
	75,000	21.30	July 27, 2011	-
	100,000	35.34	Dec. 11, 2011	-
	30,000	36.14	Dec. 18, 2012	-
	50,000	11.50	Dec. 11, 2018	397,500 ⁽²⁾

- 1) Calculated based on the difference between the market price of our shares on the TSX on December 31, 2008 (\$19.45) and the exercise price of the option.
- 2) Options awarded during the year ended December 31, 2008 vest one-third per year commencing on December 11, 2009 and have a ten year term.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive plan awards vested or earned during the year ended December 31, 2008.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert A. Quartermain	-	N/A	100,000
Tom S.Q. Yip	-	N/A	25,000
Joseph J. Ovsenek	-	N/A	85,000
George N. Paspalas	-	N/A	85,000
Kenneth C. McNaughton	-	N/A	50,000

Termination and Change of Control Benefits

We have entered into employment agreements with each of our Named Executive Officers. Under the terms of the employment agreements, our Named Executive Officers are entitled to compensation, based on their remuneration at the time, in the event of termination without cause and on a change of control. No Named Executive Officer is entitled to compensation on resignation, retirement or termination for cause, other than Robert Quartermain who is entitled to a lump sum payment of \$125,000. A change of control, in general, occurs when a person or group of persons acting together through a transaction or series of transactions beneficially acquire or exercise control or direction over 25% or more of our common shares. Any such compensation payable to a Named Executive Officer is required to be paid to him within 30 days of the termination of the Named Executive Officer's employment. The events selected for triggering payment in connection with termination without cause and on a change of control were determined by the Compensation Committee, with advice from independent consultants, based on industry standards at the time the agreements were entered into with the Named Executive Officers.

In respect of termination without cause, each of our Named Executive Officers is entitled to a lump sum payment equal to 24 months of (i) base salary, and (ii) the average annual bonus earned by the Named Executive Officer in the three immediately preceding years. Robert Quartermain is also entitled to a lump sum payment of \$125,000. The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executive Officers on termination without cause assuming termination on December 31, 2008.

Name	Base Salary ⁽¹⁾ (\$)	Bonus ⁽¹⁾⁽²⁾ (\$)	Option-Based Awards (\$)	All Other Compensation (\$)	Total (\$)
Robert A. Quartermain	850,000	332,000	-	125,000	1,307,000
Tom S.Q. Yip	520,000	165,000	-	-	685,000
Joseph J. Ovsenek	550,000	223,000	-	-	773,000
George N. Paspalas	640,000	260,000	-	-	900,000
Kenneth C. McNaughton	400,000	132,000	-	-	532,000

1) 24 months' base salary for all Named Executive Officers.

2) Two times the average annual bonus earned by the Named Executive Officers in the three immediately preceding years (estimated for George Paspalas and Tom Yip as they joined us midway through 2007).

If within 12 months following a change of control, a Named Executive Officer's employment is

terminated without cause, or a Named Executive Officer terminates his employment for Good Reason (as described below), each of our Named Executive Officers, other than Robert Quartermain, is entitled to a lump sum payment equal to 24 months of (i) base salary, and (ii) the average annual bonus earned by the Named Executive Officer in the three immediately preceding years. Robert Quartermain is entitled to a lump sum payment equal to \$125,000 plus 36 months of (i) base salary, and (ii) the average annual bonus earned by him in the three immediately preceding years. In addition, if on a change of control, the acquiring company does not exchange options held by a Named Executive Officer for the acquiring company's stock options without a material financial loss to the Named Executive Officer, any outstanding unvested options granted to the Named Executive Officer under our stock option plan shall become 100% vested and exercisable on the Named Executive Officer's last day of employment.

"Good Reason" will arise within 12 months following a change of control where a Named Executive Officer is induced to resign or terminate his employment for, amongst other reasons, an adverse change in his position, duties, or responsibilities, a reduction of his base salary or relocation of his principal office outside of Vancouver, British Columbia. Robert Quartermain and Joseph Ovsenek have the right to determine whether an incident has occurred that would constitute Good Reason.

Each Named Executive Officer is required to (a) not disclose or use for any purpose any of our confidential information following termination and (b) sign a full release acceptable to us prior to receiving any payment as a result of termination following a change of control.

The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executives Officers for termination on a change of control assuming termination on December 31, 2008.

Name	Base Salary ⁽¹⁾ (\$)	Bonus ⁽¹⁾⁽²⁾ (\$)	Option-Based Awards ⁽³⁾ (\$)	All Other Compensation (\$)	Total (\$)
Robert A. Quartermain	1,275,000	498,000	2,234,500	125,000	4,132,500
Tom S.Q. Yip	520,000	165,000	238,500	-	923,500
Joseph J. Ovsenek	550,000	223,000	1,429,800	-	2,202,800
George N. Paspalas	640,000	260,000	954,000	-	1,854,000
Kenneth C. McNaughton	400,000	132,000	601,500	-	1,133,500

- 1) 36 months' base salary for Robert A. Quartermain; 24 months' base salary for all other Named Executive Officers.
- 2) Three times the average annual bonus earned by Robert A. Quartermain in the three immediately preceding years. Two times the average annual bonus earned by all other named Executive Officers in the three immediately preceding years (estimated for George N. Paspalas and Tom S.Q. Yip as they joined us midway through 2007).
- 3) Assumes no exchange of options held by Named Executive Officers for acquiring company's stock options and the vesting of all outstanding options. Calculated based on the difference between the market price of our shares on the TSX on December 31, 2008 (\$19.45) and the exercise price of the option.

Director Compensation

2008 Director Compensation Table

The following table sets out all amounts of compensation provided to our directors, other than Robert A. Quartermain our President and CEO, for the year ended December 31, 2008.

Name	Fees earned (\$)	Share-based awards ⁽⁴⁾ (\$)	Option-based awards ⁽⁵⁾ (\$)	All other compensation (\$)	Total (\$)
A.E. Michael Anglin ⁽¹⁾	22,151	30,000	492,500	-	544,651

Name	Fees earned (\$)	Share-based awards ⁽⁴⁾ (\$)	Option-based awards ⁽⁵⁾ (\$)	All other compensation (\$)	Total (\$)
John R. Brodie	65,000	60,000	-	-	125,000
Richard C. Campbell ⁽¹⁾	24,164	30,000	492,500	-	546,664
R.E. Gordon Davis	60,000	60,000	-	-	120,000
David L. Johnston	55,000	60,000	-	-	115,000
Richard D. Paterson ⁽¹⁾	24,164	30,000	492,500	-	546,664
Peter W. Tomsett ⁽²⁾	95,275	120,000	-	-	215,275
William Meyer ⁽³⁾	27,500	30,000	-	-	57,500

(1) A.E. Michael Anglin, Richard C. Campbell and Richard D. Paterson were appointed to our board of directors on August 7, 2008.

(2) Peter W. Tomsett was appointed Chair of the board of directors on May 14, 2008.

(3) William Meyer retired from our board of directors on August 7, 2008.

(4) Our board of directors adopted a deferred share unit plan effective July 1, 2008.

(5) Our Compensation Committee has authorized the one time grant of options to acquire our common shares to each director on appointment to the board of directors. Each of A.E. Michael Anglin, Richard C. Campbell and Richard D. Paterson was awarded options to acquire 50,000 of our common shares on August 7, 2008. Stock based compensation is valued using the Black-Scholes option pricing model with a grant price of \$29.02/share. These awards vest 50% on the date of grant and 50% on the second anniversary of the date of grant and have a five year term.

Our Board of Directors adopted a deferred share unit (“DSU”) plan effective July 1, 2008 to more closely align the interests of our directors with the interests of our shareholders. With the adoption of the DSU plan, our directors will no longer receive option awards, other than a one-time grant on appointment to the board of directors at the discretion of our Compensation Committee. Under our DSU plan, (a) directors may elect to receive all or a portion of their annual retainer fees in DSUs, (b) the number of DSUs to be received is calculated by dividing the dollar value of the DSUs to be received by the market price of our common shares on the date the DSUs are credited to a director’s account, (c) DSUs are credited to a director’s account pro rata on a quarterly basis and (d) DSUs cannot be redeemed until the director ceases to be a member of the board of directors. Upon redemption of DSUs, we will pay to a director a lump sum cash amount equal to the aggregate number of DSUs that have been credited to the account of that director multiplied by the market price of our common shares at the time of redemption.

The following table provides a breakdown of fees earned by our directors, other than Robert A. Quartermain our President and CEO, for the year ended December 31, 2008.

Name	Retainer Fee (\$)	Committee Retainer Fee (\$)	Committee Chair Retainer Fee (\$)	Lead Director/Board Chair Fee (\$)	Total Fees Earned (\$)	Fees taken in DSUs ⁽¹⁾ (\$)	Fees Taken in Cash (\$)
A.E. Michael Anglin	18,123	4,028	-	-	22,151	-	22,151
John R. Brodie	45,000	5,000	15,000	-	65,000	-	65,000
Richard C. Campbell	18,123	2,014	4,027	-	24,164	12,082	12,082
R.E. Gordon Davis	45,000	5,000	10,000	-	60,000	-	60,000
David L. Johnston	45,000	10,000	-	-	55,000	13,750-	41,250
Richard D. Paterson	18,123	2,014	4,027	-	24,164	24,164	-
Peter W. Tomsett	22,500	2,500	5,000	65,275	95,275	95,275	-
William Meyer	22,500	5,000	-	-	27,500	-	27,500

(1) Under our deferred share unit plan, a director may elect to receive all or a portion of his annual retainer fees as DSUs.

For 2008, each of our directors received an annual director retainer of \$45,000, each committee member, excluding the committee chair, received an annual retainer of \$5,000, the Audit Committee chair received

an annual retainer of \$15,000 and the other committee chairs received an annual retainer of \$10,000. Retainer fees are paid pro rata on a quarterly basis. A.E. Michael Anglin, Richard C. Campbell and Richard D. Paterson were appointed to the board of directors and committees of the board of directors on August 7, 2008. As a result, each of them received the pro rata share of their respective annual director retainer fee, annual committee member retainer fee and annual committee chair retainer fee, as applicable, for the period August 7, 2008 through December 31, 2008.

Prior to May 14, 2008, Peter W. Tomsett was our lead director and received an annual lead director retainer fee of \$10,000 in addition to the annual director retainer, annual committee member retainer and annual committee chair retainer. On May 14, 2008, our board of directors appointed Mr. Tomsett the chair of our board of directors, with an annual board chair retainer fee of \$110,000, in place of the annual director retainer fee, annual committee member retainer fee and annual committee chair retainer fee. Accordingly, Mr. Tomsett received the pro rata share of the annual board chair retainer fee for the period May 14, 2008 through December 31, 2008. On August 7, 2008, Mr. Tomsett resigned his positions as compensation committee chair and audit committee member.

William Meyer retired from our board of directors and resigned from membership on the Compensation Committee and Corporate Governance and Nominating Committee on August 7, 2008. During 2008 (prior to retiring), Mr. Meyer received the pro rata share of his annual director retainer fee and annual committee member retainer fees.

The Compensation Committee reviews board compensation on an annual basis and recommends revisions to the annual retainers paid to the board of directors when warranted in the circumstances. In addition, the board of directors may award special remuneration to any director undertaking any special services on our behalf other than services ordinarily required of a director.

Outstanding Share-Based Awards and Option Based Awards

The following table sets out all option-based awards outstanding for each of our directors, other than Robert A. Quartermain our President and CEO (who receives no additional compensation for his service as a director), at December 31, 2008. Our directors do not have any outstanding share-based awards.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options⁽¹⁾ (\$)
A.E. Michael Anglin	50,000	29.02	August 7, 2013	-
John R. Brodie	25,000	18.73	January 19, 2011	18,000
	30,000	21.30	July 27, 2011	-
	50,000	35.34	December 12, 2011	-
	14,000	36.14	December 18, 2012	-
Richard C. Campbell	50,000	29.02	August 7, 2013	-
R.E. Gordon Davis	20,000	14.47	December 31, 2009	99,600
	30,000	16.73	December 20, 2010	81,600
	30,000	21.30	July 27, 2011	-
	50,000	35.34	December 12, 2011	-
	14,000	36.14	December 18, 2012	-

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)
David L. Johnston	15,000	16.73	December 20, 2010	40,800
	30,000	21.30	July 27, 2011	-
	50,000	35.34	December 12, 2011	-
	14,000	36.14	December 18, 2012	-
Richard D. Paterson	50,000	29.02	August 7, 2013	-
Peter W. Tomsett	90,000	27.78	November 7, 2011	-
	50,000	35.34	December 12, 2011	-
	14,000	36.14	December 18, 2012	-

1) Calculated based on the difference of the market price of our shares on the TSX on December 31, 2008 (\$19.45) and the exercise price of the option.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive plan awards to each of our directors, other than Robert A. Quartermain our President and CEO (who receives no additional compensation for his service as a director), at December 31, 2008.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
A.E. Michael Anglin	14,750 ⁽¹⁾	N/A	N/A
John R. Brodie	479,100 ⁽²⁾	N/A	N/A
Richard C. Campbell	14,750 ⁽¹⁾	N/A	N/A
R.E. Gordon Davis	-	N/A	N/A
David L. Johnston	-	N/A	N/A
Richard D. Paterson	14,750 ⁽¹⁾	N/A	N/A
Peter W. Tomsett	-	N/A	N/A

1) Our Compensation Committee has authorised the one time grant of options to acquire our common shares to each director on appointment to the board of directors. Each of A.E. Michael Anglin, Richard C. Campbell and Richard D. Paterson was awarded options to acquire 50,000 of our common shares on August 7, 2008. These awards vest 50% on the date of grant and 50% on the second anniversary of the date of grant and have a five year term. Calculated based on the difference between the market price of our shares on the TSX on August 7, 2008 (\$29.61) and the exercise price of the option.

2) 50% of 60,000 options granted on January 19, 2006 vested on January 19, 2008. Calculated based on the difference between the market price of our shares on the TSX on January 18, 2008 (\$34.70) and the exercise price of the option.

Options to Purchase Securities from Company or Subsidiaries

Options Outstanding

Stock options to purchase our securities are granted to our directors and employees on terms and conditions acceptable to the regulatory authorities in Canada. At our annual general meeting held on May 14, 2008, our shareholders approved a stock option plan that reserves 10% 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 10% of our issued and outstanding shares, (b) stock options in favor of any one individual may not exceed 5% of the issued and outstanding shares of common stock, (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 volume weighted average trading price of our common shares on the Toronto Stock Exchange, 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 executive officers as a group, to directors who are not executive officers as a group and employees and consultants as a group are set out below as of December 31, 2008. The exercise price of the stock options is stated in Canadian dollars.

Table No. 39
Outstanding Stock Options

	Number of Options		
	Outstanding	Exercise Price	Expiry Date
Executive Officers	130,000	\$14.47	December 31, 2009
	395,000	\$16.73	December 20, 2010
	395,000	\$21.30	July 27, 2011
	700,000	\$35.34	December 12, 2011
	200,000	\$40.62	May 3, 2012
	150,000	\$38.88	July 17, 2012
	280,000	\$36.14	December 18, 2012
	470,000	\$11.50	December 11, 2018
Directors who are not Executive Officers	20,000	\$14.47	December 31, 2009
	45,000	\$16.73	December 20, 2010
	25,000	\$18.73	January 19, 2011
	90,000	\$21.30	July 27, 2011
	90,000	\$27.78	November 7, 2011
	200,000	\$35.34	December 12, 2011
	56,000	\$36.14	December 18, 2012
	150,000	\$29.02	August 7, 2013
Employees and Consultants	5,000	\$14.47	October 4, 2009
	96,000	\$14.47	December 31, 2009
	253,750	\$16.73	December 20, 2010
	346,500	\$21.30	July 27, 2011
	10,000	\$27.78	November 7, 2011
	420,000	\$35.34	December 12, 2011
	20,000	\$40.62	May 3, 2012
	75,000	\$38.13	July 11, 2012
	120,000	\$34.71	September 7, 2012
	84,000	\$36.14	December 18, 2012

	Number of Options Outstanding	Exercise Price	Expiry Date
	30,000	\$32.08	March 28, 2013
	30,000	\$10.50	November 4, 2018
	130,000	\$11.50	December 11, 2018
Total:	5,016,250		

As at December 31, 2008, we did not have any share purchase warrants outstanding.

C. Board Practices

Our directors are elected annually and hold office until the next annual general meeting of our shareholders or until their successors in office are duly elected or appointed. We do not have an executive committee. All directors are elected for a one-year term. See Table No. 35 under Item 6.A under the heading "Directors and Senior Officers" for the length of time our directors have served on the board. All officers serve at the pleasure of the board. The next annual general meeting of our shareholders has been called for May 15, 2009.

Our board of directors has four committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Safety and Sustainability Committee. The members of these committees do not have any fixed terms for holding their positions, are appointed and replaced from time to time by resolution of the board of directors and receive separate remuneration for acting as members of the committees.

The Audit Committee, comprised of John Brodie FCA, Chair, Michael Anglin and Richard Paterson, has the responsibility of, among other things, recommending to the board the independent auditor; determining the extent of involvement of the independent auditor in reviewing unaudited quarterly financial results; evaluating the qualifications, performance and independence of the independent auditor; reviewing and recommending approval to the board of our annual and quarterly financial results and management discussion and analysis; overseeing the establishment of "whistle-blower" and related procedures. Each member of the Audit Committee is an independent director.

The Compensation Committee, comprised of Richard Paterson, Chair, John Brodie FCA, and Gordon Davis, has the responsibility for determining executive and management direct remuneration and stock options. The President's function in relation to the Compensation Committee is to make specific recommendations on remuneration with supporting commentary on individual performance and industry standards. Each member of the Compensation Committee is an independent director.

The Corporate Governance and Nominating Committee, comprised of Gordon Davis, Chair, Richard Campbell and David Johnston, has the responsibility of, among other things, recommending to the board, on an annual basis, nominees for election as directors for the next annual meeting of shareholders and nominees for appointment to committees of the board and analyzing the needs of the board when vacancies arise on the board and recommending nominees who meet such needs. Each member of the Corporate Governance and Nominating Committee is an independent director.

The Safety and Sustainability Committee comprised of Richard Campbell, Chair, Michael Anglin and David Johnston, has the responsibility of, among other things monitor our safety, health, security, environment and community relations performance on behalf of the Board and assess the effectiveness of our safety, health, security, environment and community relations policies and practices. Each member of the Safety and Sustainability Committee is an independent director.

Currently, we do not have service contracts with any of our directors or those of our subsidiaries providing for benefits upon termination of employment, other than Mr. Quartermain's employment agreement in respect of his engagement as our President and CEO (see Item 6.B – "Compensation – Employment Agreements").

D. Employees

At our corporate head office in Vancouver, we had 27 full and 3 part-time employees as at December 31, 2008, including the members of senior management, one of whom was involved in shareholder and investor communications, 13 of whom were responsible for project exploration and development, five of whom carried out our management and executive functions and eight full-time and 3 part-time of whom provided administrative support. Including members of senior management, we had 23 full and two part-time employees as of December 31, 2007 and 22 full-time and one part-time employee as of December 31, 2006. We have an aggregate in excess of 600 employees at our various projects.

E. Share Ownership

The following table sets out, as of February 28, 2009, the number of our common shares beneficially owned by the Named Executive Officers, whom, to our knowledge, possess sole voting and investment power with respect to the shares shown.

Table No. 40
Named Executive Officers and Directors Share Ownership

Name of Beneficial Owner	Title of Class	Number of Securities of Class*	Percent of Class
Robert Quartermain	Common	1,050,000	1.52%
Ken McNaughton	Common	211,500	0.31%
Joe Ovsenek	Common	380,100	0.55%
George Paspalas	Common	125,000	0.18%
Tom Yip	Common	100,000	0.15%
A.E. Mike Anglin	Common	25,000	0.04%
John R. Brodie, FCA	Common	82,000	0.12%
Richard C. Campbell	Common	27,000	0.04%
R.E. Gordon Davis	Common	117,000	0.17%
David L. Johnston	Common	74,000	0.11%
Richard D. Paterson	Common	25,000	0.04%
Peter W. Tomsett	Common	117,000	0.17%

*includes options exercisable within 60 days.

As at February 28, 2009, our directors and officers held, as a group, directly or indirectly, an aggregate of 311,600 common shares and 1,555,000 options exercisable within 60 days.

The total number of exercisable and unexercisable stock options and the number of common shares subject to such stock options granted to the Named Executive Officers and our directors are set out below as of February 28, 2009.

Table No. 41
Named Executive Officers and Directors Stock Options

Name	Number of Options Outstanding	Exercise Price	Expiry Date
Robert Quartermain	100,000	\$14.47	December 31, 2009
	200,000	\$16.73	December 20, 2010
	200,000	\$21.30	July 27, 2011
	400,000	\$35.34	December 12, 2011
	100,000	\$36.14	December 18, 2012
	150,000	\$11.50	December 11, 2018
Ken McNaughton	75,000	\$16.73	December 20, 2010
	75,000	\$21.30	July 27, 2011
	100,000	\$35.34	December 12, 2011
	30,000	\$36.14	December 18, 2012
	50,000	\$11.50	December 11, 2018
Joe Ovsenek	30,000	\$14.47	December 31, 2009
	120,000	\$16.73	December 20, 2010
	120,000	\$21.30	July 27, 2011
	200,000	\$35.34	December 12, 2011
	50,000	\$36.14	December 18, 2012
	120,000	\$11.50	December 11, 2018
George Paspalas	200,000	\$40.62	May 3, 2012
	50,000	\$36.14	December 18, 2012
	120,000	\$11.50	December 11, 2018
Tom Yip	150,000	\$38.88	July 17, 2012
	50,000	\$36.14	December 18, 2012
	30,000	\$11.50	December 11, 2018
A.E. Mike Anglin	50,000	\$29.02	August 7, 2013
John R. Brodie, FCA	25,000	18.73	January 19, 2011
	30,000	21.30	July 27, 2011
	50,000	35.34	December 12, 2011
	14,000	36.14	December 18, 2012
Richard C. Campbell	50,000	\$29.02	August 7, 2013
R.E. Gordon Davis	20,000	14.47	December 31, 2009
	30,000	16.73	December 20, 2010
	30,000	21.30	July 27, 2011
	50,000	35.34	December 12, 2011
	14,000	36.14	December 18, 2012

Name	Number of Options		Exercice Price	Expiry Date
	Outstanding			
David L. Johnston	15,000	16.73	December 20, 2010	
	30,000	21.30	July 27, 2011	
	50,000	35.34	December 12, 2011	
	14,000	36.14	December 18, 2012	
Richard D. Paterson	50,000	\$29.02	August 7, 2013	
Peter W. Tomsett	90,000	27.78	November 7, 2011	
	50,000	35.34	December 12, 2011	
	14,000	36.14	December 18, 2012	

Item 7 Major Shareholders and Related Party Transactions

A. Major Shareholders

To the best of our knowledge at the date of this Annual Report, no shareholder directly or indirectly owns more than 5% of our issued shares, other than Royce & Associates, LLC, which reported owning 9,544,300 of our common shares (15.21% of our issued and outstanding shares) as at January 29, 2009, and Tradewinds Global Investors, LLC, which reported owning 4,861,830 of our common shares (7.75% of our issued and outstanding shares) as at February 11, 2009. Royce & Associates, LLC reported owning 8,463,500 of our common shares (13.52% of our issued and outstanding shares) as at February 6, 2008, 7,875,300 of our common shares for 12.78% of our issued and outstanding shares as at January 25, 2007 and 4,646,500 of our common shares for 9% of our issued and outstanding shares as at January 31, 2006. Tradewinds Global Investors, LLC did not report owning any of our shares prior to January 29, 2009. Royce & Associates, LLC and Tradewinds Global Investors, LLC do not have voting rights that are different from the voting rights of the other holders of our common shares.

To the best of our knowledge at the date of this Annual Report, we are not directly or indirectly owned or controlled by another corporation, by any foreign government or by any other natural or legal person severally or jointly.

Our common stock is issued in registered form and the following information is taken from the records of Computershare Investor Services Inc. (located in Vancouver, British Columbia, Canada), the registrar and transfer agent for our common stock.

On December 31, 2008, the shareholders' list for our common stock showed 2,376 registered shareholders and 62,755,547 shares outstanding. 932 of these registered shareholders were US residents, owning 32,379,248 shares representing 51.6% of our issued and outstanding shares.

B. Related Party Transactions

Since January 1, 2008, we have entered or have proposed to enter into the following transactions that have materially affected or will materially affect us in which any director, executive officer, or beneficial holder of more than 10% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest.

We provided administrative and technical services under arrangements with (a) Canplats, a publicly-traded company with two common directors (Robert A. Quartermain and R.E. Gordon Davis) until

November 30, 2008 and (b) Radiant Resources Inc., a publicly-traded company with one common director (Robert A. Quartermain) until December 31, 2007. Under these arrangements, we were reimbursed for providing administrative and technical services, including the salaries and benefits of senior officers and staff.

C. Interests of Experts and Counsel

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

Item 8 Financial Information

A. Consolidated Statements and Other Financial Information

Our audited consolidated financial statements are stated in Canadian dollars and are prepared in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”), which differ in certain respects from those principles that we would have followed had our audited consolidated financial statements been prepared in accordance with US GAAP. The major measurement differences between Canadian and US GAAP, as they affect us, are disclosed in note 18 to the audited consolidated financial statements.

Exhibited hereto are audited consolidated financial statements prepared by our management, audited by an independent auditor and accompanied by an audit report:

- (a) Auditors’ Report, dated March 10, 2009.
- (b) Consolidated Balance Sheets as at December 31, 2008 and December 31, 2007 (in Canadian Dollars).
- (c) Consolidated Statements of Earnings/Loss and Deficit for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).
- (d) Consolidated Statements of Cash Flows for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).
- (e) Consolidated Statements of Shareholders’ Equity for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).
- (f) Notes to Consolidated Financial Statements for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).

We have not paid dividends in the past five years and do not expect to pay dividends in the near future. Our present policy is to retain future earnings for use in our operations and the expansion of our business.

B. Significant Changes

No significant changes have occurred since the date of our most recent audited financial statements, December 31, 2008.

Item 9 The Offer and Listing**A. Offer and Listing Details**

On November 4, 2004, our common stock commenced trading in Canada on the Toronto Stock Exchange (“TSE”) in Toronto, Ontario, Canada, under the trading symbol “SSO” and CUSIP #82823L-10-6. Prior to November 4, 2004, our shares were listed in Canada on the TSX Venture Exchange (“TSX-V”) (formerly known as the Canadian Venture Exchange Inc., the successor exchange resulting from the merger of the Vancouver Stock Exchange and Alberta Stock Exchange effective November 29, 1999) (together the TSE and TSX-V are referred to as the “TSX”). Our common stock commenced trading on the Vancouver Stock Exchange in 1947.

On October 12, 2004, our common stock commenced trading in the United States on the Nasdaq Global Market (“NGM”, formerly known as the Nasdaq National Market) with the symbol “SSRI”. Prior to October 12, 2004, our shares were traded in the United States on the Nasdaq SmallCap Market (“NSM”) (together the NGM and NSM are referred to as “Nasdaq”). Our common stock was first quoted on the Nasdaq SmallCap Market on August 1, 1996.

The following tables set out the reported high and low prices on each of TSX and Nasdaq for (a) the five most recent fiscal years; (b) each quarterly period for the past two fiscal years; and (c) each month for the past six months.

Table No. 42
High and Low Prices for the Five Most Recent Fiscal Years on the TSX (Cdn\$’s)

Fiscal Year Ended	High	Low
December 31, 2008	\$40.30	\$6.87
December 31, 2007	\$45.58	\$27.80
December 31, 2006	\$36.59	\$17.17
December 31, 2005	\$18.89	\$12.34
December 31, 2004	\$23.00	\$12.00

Table No. 43
High and Low Prices for the Five Most Recent Fiscal Years on Nasdaq (US\$’s)

Fiscal Year Ended	High	Low
December 31, 2008	\$40.72	\$5.35
December 31, 2007	\$48.16	\$27.52
December 31, 2006	\$31.63	\$14.93
December 31, 2005	\$16.15	\$9.71
December 31, 2004	\$17.37	\$8.65

Table No. 44
High and Low Prices for each Quarterly Period for the Past Two Fiscal Years on the TSX (Cdn\$'s)

Period Ended	High	Low
December 31, 2008	\$19.94	\$9.88
September 30, 2008	\$25.93	\$15.48
June 30, 2008	\$31.23	\$27.24
March 31, 2008	\$38.38	\$30.04
December 31, 2007	\$44.07	\$35.11
September 30, 2007	\$40.47	\$27.80
June 30, 2007	\$45.58	\$35.40
March 31, 2007	\$42.34	\$31.11

Table No. 45
High and Low Prices for each Quarterly Period for the Past Two Fiscal Years on Nasdaq (US\$'s)

Period Ended	High	Low
December 31, 2008	\$16.38	\$7.61
September 30, 2008	\$24.24	\$14.40
June 30, 2008	\$30.68	\$26.91
March 31, 2008	\$40.72	\$29.79
December 31, 2007	\$48.16	\$32.51
September 30, 2007	\$38.71	\$25.74
June 30, 2007	\$40.16	\$33.07
March 31, 2007	\$36.66	\$27.52

Table No. 46
High and Low Prices for each Month for the Past Six Months on the TSX (Cdn\$'s)

Month Ended	High	Low
February 28, 2009	\$26.11	\$18.67
January 31, 2009	\$25.70	\$18.33
December 31, 2008	\$19.94	\$9.88
November 30, 2008	\$13.25	\$8.37
October 31, 2008	\$18.92	\$6.87
September 30, 2008	\$25.93	\$15.48

Table No. 47
High and Low Prices for each Month for the Past Six Months on Nasdaq (US\$'s)

Month Ended	High	Low
February 28, 2009	\$21.17	\$14.84
January 31, 2009	\$21.00	\$14.53

Month Ended	High	Low
December 31, 2008	\$16.38	\$7.61
November 30, 2008	\$11.38	\$6.51
October 31, 2008	\$17.85	\$5.35
September 30, 2008	\$24.24	\$14.40

B. Plan of Distribution

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

C. Markets

See the first section of this Item 9.

D. Selling Shareholders

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

E. Dilution

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

F. Expenses of the Issue

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

Item 10 Additional Information

A. Share Capital

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

B. Memorandum and Articles of Association

Incorporation

We were incorporated in British Columbia, Canada, under Certificate of Incorporation number 21492 on December 11, 1946. We do not have any stated “objects” or “purposes” as such are not required by the corporate laws of the Province of British Columbia. Rather, we are, by such corporate laws, entitled to carry on any activities whatsoever, which are not specifically precluded by other statutory provisions of the Province of British Columbia.

Powers and Functions of the Directors

The powers and functions of the directors are set out in our Articles, which were adopted by our shareholders on May 12, 2005. They provide:

- (a) a director is obligated to disclose his potential interest in a proposal, arrangement or contract being considered by us, and may not vote on any proposal, arrangement or contract proposed, but such director shall be counted in the quorum at the meeting of the directors at which the proposal, arrangement or contract is approved;
- (b) the directors may, in the absence of an independent quorum, vote compensation to themselves;
- (c) there are no limitations on the exercise by the directors of our borrowing powers;
- (d) there are no provisions for the retirement or non-retirement of directors under an age limit; and
- (e) there is no requirement for a director to hold any of our shares.

Rights and Restrictions Attached to the Shares

As all of our authorized and issued shares are of one class there are no special rights or restrictions of any nature or kind attached to any of the shares. All authorized and issued shares rank equally in respect to the declaration and receipt of dividends, the rights to share in any profits or surplus on our liquidation, dissolution or winding. Each share has attached to it one non-cumulative vote.

Alteration of Share Rights

To alter the rights of holders of our issued shares such alteration must be approved by the majority vote of two-thirds of our issued shares attending and voting at a meeting of our shareholders.

Annual General Meetings

Annual general meetings are called and scheduled upon decision by the board of directors. The directors may convene an extraordinary general meeting of the shareholders. The holders of not less than 5% of our issued shares may requisition an extraordinary meeting of the shareholders. All meetings of the shareholders may be attended by registered shareholders or persons who hold powers of attorney or proxies given to them by registered shareholders.

Foreign Ownership Limitations

Our Articles do not contain limitations prohibiting shares being held by non-residents, foreigners or any other group.

Change of Control

There are no provisions in our Articles that would have an effect of delaying, deferring or preventing a change in our control, or that would operate with respect to any proposed merger, acquisition or corporate restructuring.

Share Ownership Reporting Obligations

There are no provisions in our Articles requiring share ownership to be disclosed. The securities laws of the Province of British Columbia require disclosure of shareholdings by:

- (a) persons who are our directors or senior officers; and
- (b) a person who has direct or indirect beneficial ownership of, control or direction over, or a combination of direct or indirect beneficial ownership of and control or direction over our securities carrying more than 10% of the voting rights attached to all of our outstanding voting securities.

Differences from U.S. Law

The threshold of share ownership percentage requiring disclosure of ownership is higher in the home jurisdiction of British Columbia (a 10% threshold) than the United States where U.S. securities law prescribes a 5% threshold for ownership disclosure.

C. Material Contracts

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which we or any of our subsidiaries is a party, for the two years immediately preceding publication of the document, including dates, parties, general nature of the contracts, terms and conditions, and amount of any consideration passing to or from us or any other member of the group.

1. Amending agreement dated September 19, 2007 with Silver Standard Mexico S.A. de C.V., Geologix Explorations Inc. and Geologix Explorations Mexico, S.A. de C.V. See Item 4.B under the heading “San Agustin Property” for a description of the amending agreement.

2. Convertible Note Purchase Agreement dated February 27, 2008 with UBS Securities LLC, Bear, Stearns & Co., Inc., Deutsche Bank Securities Inc., Blackmont Capital Inc., GMP Securities L.P., National Bank Financial Inc. and Salman Partners Inc., as initial purchasers. Under the terms of the Convertible Note Purchase Agreement, we issued US\$138 million of convertible notes (the “Convertible Notes”) due March 1, 2028 and bearing interest at a rate of 4.5% per year. The Convertible Notes will be convertible into our common shares at a fixed conversion rate, subject to certain anti-dilution adjustments, only in the event that (i) during specified consecutive trading periods, the market price of our common shares exceeds 130% of the conversion price of the Convertible Notes, (ii) the trading price of the Convertible Notes falls to 97% or less of the amount equal to the then prevailing price of our common shares, multiplied by the applicable conversion rate, (iii) the Convertible Notes are called for redemption, (iv) upon the occurrence of specified corporate transactions, or (v) during specified periods in early 2013 and 2028. On conversion, holders of the Convertible Notes will receive cash and, if applicable, common shares (or, at our election, in lieu of such common shares, cash or any combination of cash and common shares). In addition, if certain fundamental changes occur to us, holders of the Convertible Notes may be entitled to an increased conversion rate. The Convertible Notes will be convertible into our common shares at an initial conversion rate of 23.0792 common shares per US\$1,000 principal amount of Convertible Notes converted, representing an initial conversion price of approximately US\$43.33 per common share, which is approximately 130% of the closing price of our common shares on the Nasdaq Global Market on February 21, 2008. Holders of the Convertible Notes will have the right to require us to repurchase all or part of their Convertible Notes on March 1 of each of 2013, 2018 and 2023, and upon certain fundamental corporate changes. The repurchase price will be equal to 100% of the principal amount of the Convertible Notes being converted, plus accrued and unpaid interest to, but excluding, the

repurchase date. Subject to specified conditions, we shall pay the purchase price in cash. On and after March 5, 2013, we may redeem all or part of the Convertible Notes for cash at a redemption price equal to 100% of the principal amount of the Convertible Notes being redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. See Item 5.B under the heading “Liquidity”.

3. Sale agreement dated July 16, 2008 with Aurcana Corporation in respect of the sale of our interest in the Shafter Silver Project. See Item 4.B under the heading “Shafter Silver Project” for a description of the sale agreement.

4. An Underwriting Agreement dated February 24, 2009 with UBS Securities Canada Inc., Deutsche Bank Securities Inc., Credit Suisse Securities (USA) LLC, Dahlman Rose & Co., LLC, Morgan Stanley & Co. Incorporated, Scotia Capital Inc., Blackmont Capital Inc., GMP Securities L.P., National Bank Financial Inc. and Salman Partners Inc., as Underwriters and Deutsche Bank Securities Limited and Credit Suisse Securities (Canada), Inc. as Sub-Underwriters. Under the terms of the Underwriting Agreement, we issued 5,450,000 common shares with an over-allotment option of up to 817,500 common shares, exercisable to March 29, 2009. Pursuant to the over-allotment option, the Underwriters purchased an additional 375,713 common shares. See Item 5.B under the heading “Subsequent Events”.

D. Exchange Controls and Investment Canada Act

Canada has no system of exchange controls. There are no exchange restrictions on borrowing from foreign countries or on the remittance of dividends, interest, royalties and similar payments, management fees, loan repayments, settlement of trade debts, or the repatriation of capital. Any such remittances to United States residents, however, may be subject to a withholding tax pursuant to the Canadian Income Tax Act as modified by the reciprocal tax treaty between Canada and the United States. See “Item 10.E, “Taxation”.

The Investment Canada Act (the “Act”), enacted on June 20, 1985, requires prior notification to the Government of Canada on the “acquisition of control” of Canadian businesses by non-Canadians, as defined in the Act. Certain acquisitions of control, discussed below, are reviewed by the Government of Canada. The term “acquisition of control” is defined as any one or more non-Canadian persons acquiring all or substantially all of the assets used in the Canadian business, or the acquisition of the voting shares of a Canadian corporation carrying on the Canadian business or the acquisition of the voting interests of an entity controlling or carrying on the Canadian business. The acquisition of the majority of the outstanding shares is deemed to be an “acquisition of control” of a corporation. The acquisition of less than a majority, but one-third or more, of the voting shares of a corporation is presumed to be an “acquisition of control” of a corporation unless it can be established that the purchaser will not control the corporation.

Investments requiring notification and review are all direct acquisitions of Canadian businesses with assets of \$5,000,000 or more (subject to the comments below on WTO investors), and all indirect acquisitions of Canadian businesses (subject to the comments below on WTO investors) with assets of more than \$50,000,000 or with assets of between \$5,000,000 and \$50,000,000 which represent more than 50% of the value of the total international transaction. In addition, specific acquisitions or new businesses in designated types of business activities related to Canada’s cultural heritage or national identity could be reviewed if the Government of Canada considers that it is in the public interest to do so.

The Act was amended with the implementation of the Agreement establishing the World Trade Organization (“WTO”) to provide for special review thresholds for “WTO investors”, as defined in the Act. “WTO investor” generally means (i) an individual, other than a Canadian, who is a national or a WTO member (such as, for example, the United States), or who has the right of permanent residence in

relation to that WTO member, (ii) governments of WTO members, and (iii) entities that are not Canadian controlled, but which are WTO investor controlled, as determined by rules specified in the Act. The special review thresholds for WTO investors do not apply, and the general rules described above do apply, to the acquisition of control of certain types of businesses specified in the Act, including a business that is a “cultural business”. If the WTO investor rules apply, an investment in our shares by or from a WTO investor will be reviewable only if it is an investment to acquire control of Silver Standard and the value of our assets is equal to or greater than a specified amount (the “WTO Review Threshold”). The WTO Review Threshold is adjusted annually by a formula relating to increases in the nominal gross domestic product of Canada. The 2009 WTO Review Threshold is \$312,000,000.

If any non-Canadian, whether or not a WTO investor, acquires control of Silver Standard by the acquisition of shares, but the transaction is not reviewable as described above, the non-Canadian is required to notify the Canadian government and to provide certain basic information relating to the investment. A non-Canadian, whether or not a WTO investor, is also required to provide a notice to the government on the establishment of a new Canadian business. If our business is then a prescribed type of business activity related to Canada’s cultural heritage or national identity, and if the Canadian government considers it to be in the public interest to do so, then the Canadian government may give notice in writing within 21 days requiring the investment to be reviewed.

For non-Canadians (other than WTO investors), an indirect acquisition of control, by the acquisition of voting interests of an entity that directly or indirectly controls Silver Standard, is reviewable if the value of our assets is then \$50,000,000 or more. If the WTO investor rules apply, then this requirement does not apply to a WTO investor, or to a person acquiring the entity from a WTO investor. Special rules specified in the Act apply if the value of our assets is more than 50% of the value of the entity so acquired. By these special rules, if the non-Canadian (whether or not a WTO investor) is acquiring control of an entity that directly or indirectly controls Silver Standard, and the value of our assets and all other entities carrying on business in Canada, calculated in the manner provided in the Act and the regulations under the Act, is more than 50% of the value, calculated in the manner provided in the Act and the regulations under the Act, of the assets of all entities, the control of which is acquired, directly or indirectly, in the transition of which the acquisition of control of Silver Standard forms a part, then the thresholds for a direct acquisition of control as discussed above will apply, that is, a WTO Review Threshold of \$265,000,000 (in 2006) for a WTO investor or a threshold of \$5,000,000 for a non-Canadian other than a WTO investor. If the value exceeds that level, then the transaction must be reviewed in the same manner as a direct acquisition of control by the purchase of our shares.

If an investment is reviewable, an application for review in the form prescribed by the regulations is normally required to be filed with the Director appointed under the Act (the “Director”) prior to the investment taking place and the investment may not be consummated until the review has been completed. There are, however, certain exceptions. Applications concerning indirect acquisitions may be filed up to 30 days after the investment is consummated and applications concerning reviewable investments in culture-sensitive sectors are required upon receipt of a notice for review. In addition, the Minister (a person designated as such under the Act) may permit an investment to be consummated prior to completion of the review, if he is satisfied that delay would cause undue hardship to the acquirer or jeopardize the operations of the Canadian business that is being acquired. The Director will submit the application to the Minister, together with any other information or written undertakings given by the acquirer and any representation submitted to the Director by a province that is likely to be significantly affected by the investment.

The Minister will then determine whether the investment is likely to be of net benefit to Canada, taking into account the information provided and having regard to certain factors of assessment where they are relevant. Some of the factors to be considered are (i) the effect of the investment on the level and nature

of economic activity in Canada, including the effect on employment, on resource processing, and on the utilization of parts, components and services produced in Canada; (ii) the effect of the investment on exports from Canada; (iii) the degree and significance of participation by Canadians in the Canadian business and in any industry in Canada of which it forms a part; (iv) the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada; (v) the effect of the investment on competition within any industry or industries in Canada; (vi) the compatibility of the investment with national industrial, economic and cultural policies; (vii) the compatibility of the investment with national industrial, economic and cultural policies taking into consideration industrial, economic and cultural objectives enunciated by the government or legislature of any province likely to be significantly affected by the investment; and (viii) the contribution of the investment to Canada's ability to compete in world markets.

The Act sets certain time limits for the Director and the Minister. Within 45 days after a completed application has been received, the Minister must notify the acquirer that (a) he is satisfied that the investment is likely to be of net benefit to Canada, or (b) he is unable to complete his review, in which case he shall have 30 additional days to complete his review (unless the acquirer agrees to a longer period), or (c) he is not satisfied that the investment is likely to be of net benefit to Canada.

Where the Minister has advised the acquirer that he is not satisfied that the investment is likely to be of net benefit to Canada, the acquirer has the right to make representations and submit undertakings within 30 days of the date of the notice (or any further period that is agreed upon between the acquirer and the Minister). On the expiration of the 30 day period (or the agreed extension), the Minister must quickly notify the acquirer (i) that he is now satisfied that the investment is likely to be of net benefit to Canada or (ii) that he is not satisfied that the investment is likely to be of net benefit to Canada. In the latter case, the acquirer may not proceed with the investment or, if the investment has already been consummated, must divest itself of control of the Canadian business.

The Act provides civil remedies for non-compliance with any provision. There are also criminal penalties for breach of confidentiality or providing false information.

E. Taxation

A brief description of certain provisions of the tax treaty between Canada and the United States is included below, together with a brief outline of certain taxes, including withholding provisions, to which United States security holders are subject under existing laws and regulations of Canada. The consequences, if any, of provincial, state and local taxes are not considered.

The Company recommends security holders seek the advice of their own tax advisors, tax counsel or accountants with respect to the applicability or effect on their own individual circumstances of the matters referred to herein and of any provincial, state or local taxes.

Certain Canadian Federal Income Tax Consequences

The discussion under this heading summarizes the principal Canadian federal income tax consequences of acquiring, holding and disposing of shares of common stock of the Company for a shareholder of the Company who is not a resident of Canada but is a resident of the United States and who will acquire and hold shares of common stock of the Company as capital property for the purposes of the *Income Tax Act* (Canada) (the "Canadian Tax Act"). This summary does not apply to a shareholder who carries on business in Canada through a "permanent establishment" situated in Canada or performs independent personal services in Canada through a fixed base in Canada if the shareholder's holding in the Company is effectively connected with such permanent establishment or fixed base. This summary is based on the

provisions of the Canadian Tax Act and the regulations thereunder and on an understanding of the administrative practices of the Canada Revenue Agency, and takes into account all specific proposals to amend the Canadian Tax Act or regulations made by the Minister of Finance of Canada as of the date hereof. It has been assumed that there will be no other relevant amendment of any governing law although no assurance can be given in this respect. The Company recommends security holders seek the advice of their own Canadian and U.S. tax advisors.

The provisions of the Canadian Tax Act are subject to income tax treaties to which Canada is a party, including the Canada-United States Income Tax Convention (1980), as amended (the “Convention”).

Dividends on Common Shares and Other Income

Under the Canadian Tax Act, a non-resident of Canada is generally subject to Canadian withholding tax at the rate of 25% on dividends paid or deemed to have been paid to him or her by a corporation resident in Canada. The Convention limits the rate to 15% if the shareholder is a resident of the United States and the dividends are beneficially owned by and paid to such shareholder, and to 5% if the shareholder is also a corporation that beneficially owns at least 10% of the voting stock of the payor corporation.

The amount of a stock dividend (for tax purposes) would generally be equal to the amount by which the paid up or stated capital of the Company had increased by reason of the payment of such dividend. The Company will furnish additional tax information to shareholders in the event of such a dividend. Interest paid or deemed to be paid on the Company’s debt securities held by non-Canadian residents may also be subject to Canadian withholding tax, depending upon the terms and provisions of such securities and any applicable tax treaty.

The Convention generally exempts from Canadian income tax dividends paid to a religious, scientific, literary, educational or charitable organization or to an organization constituted and operated exclusively to administer a pension, retirement or employee benefit fund or plan, if the organization is a resident of the United States and is exempt from income tax under the laws of the United States.

Dispositions of Common Shares

Under the Canadian Tax Act, a taxpayer’s capital gain or capital loss from a disposition of a share of common stock of the Company is the amount, if any, by which his or her proceeds of disposition exceed (or are exceeded by, respectively) the aggregate of his or her adjusted cost base of the share and reasonable expenses of disposition. The capital gain or loss must be computed in Canadian currency using a weighted average adjusted cost base for identical properties. One-half of a capital gain (the “taxable capital gain”) is included in income, and one-half of a capital loss in a year (the “allowable capital loss”) is deductible from taxable capital gains realized in the same year. The amount by which a shareholder’s allowable capital loss exceeds the taxable capital gain in a year may be deducted from a taxable capital gain realized by the shareholder in the three previous years or any subsequent year, subject to certain restrictions in the case of a corporate shareholder and subject to adjustment when the capital gains inclusion rate in the year of disposition differs from the inclusion rate in the year the deduction is claimed.

If a share of common stock of the Company is disposed of to the Company other than in the open market in the manner in which shares would normally be purchased by the public, the proceeds of disposition will, in general terms, be considered as limited to the paid-up capital of the share and the balance of the price paid will be deemed to be a dividend. In the case of a shareholder that is a corporation, the amount of any capital loss otherwise determined may be reduced, in certain circumstances, by the amount of dividends previously received in respect of the shares disposed of, unless the corporation owned the

shares for at least 365 days prior to sustaining the loss and (together with corporations, persons and other entities, with whom the corporation was not dealing at arm's length) did not own more than five percent of the shares of any class of the corporation from which the dividend was received. These loss limitation rules may also apply where a corporation is a member of a partnership or a beneficiary of a trust that owned the shares disposed of.

Under the Canadian Tax Act, a non-resident of Canada is subject to Canadian tax on taxable capital gains, and may deduct allowable capital losses, realized on a disposition of "taxable Canadian property." Shares of common stock of the Company will constitute taxable Canadian property of a shareholder at a particular time if the shareholder used the shares in carrying on business in Canada, or if at any time in the five years immediately preceding the disposition 25% or more of the issued shares of any class or series in the capital stock of the Company belonged to one or more persons in a group comprising the shareholder and persons with whom the shareholder did not deal at arm's length and in certain other circumstances. Corporations disposing of taxable Canadian property must file a Canadian tax return to report the disposition.

The Convention relieves United States residents from liability for Canadian tax on capital gains derived on a disposition of shares unless:

- (a) the value of the shares is derived principally from "real property" in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production;
- (b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding, and at any time during the 10 years immediately preceding, the disposition and the shares were owned by him when he or she ceased to be resident in Canada; or
- (c) the shares formed part of the business property of a "permanent establishment" that the holder has or had in Canada within the 12 months preceding the disposition.

Certain U.S. Federal Income Tax Considerations

The following is a general summary of certain material anticipated U.S. federal income tax consequences to a U.S. Holder, as defined below, of the ownership and disposition of Common Shares in the Company. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the "Code"), Treasury regulations promulgated under the Code ("Treasury Regulations"), administrative pronouncements or practices, judicial decisions, and the Income Tax Convention between the U.S. and Canada (the "Tax Convention"), all as of the date hereof. Future legislative, judicial, or administrative modifications, revocations, or interpretations, which may or may not be retroactive, may result in U.S. federal income tax consequences significantly different from those discussed herein. This discussion is not binding on the U.S. Internal Revenue Service (the "IRS"). No ruling has been or will be sought or obtained from the IRS with respect to any of the U.S. federal tax consequences discussed herein. There can be no assurance that the IRS will not challenge any of the conclusions described herein or that a U.S. court will not sustain such a challenge.

This discussion does not address the U.S. federal income tax consequences to U.S. Holders subject to special rules, including U.S. Holders that (i) are banks, financial institutions, or insurance companies, (ii) are regulated investment companies or real estate investment trusts, (iii) are brokers, dealers, or traders in securities or currencies, (iv) are tax-exempt organizations, (v) hold Common Shares as part of hedges, straddles, constructive sales, conversion transactions, or other integrated investments, (vi) acquire Common Shares as compensation for services or through the exercise or cancellation of employee stock

options or warrants, (vii) have a functional currency other than the U.S. dollar, (viii) own or have owned directly, indirectly, or constructively 10% or more of the voting power of the Company, or (ix) are subject to the alternative minimum tax. In addition, this discussion does not address any U.S. federal estate, gift, or other non-income tax, or any state, local, or non-U.S. tax consequences of the ownership and disposition of Common Shares.

As used herein, “U.S. Holder” means a beneficial owner of Common Shares that is (i) an individual that is a citizen or resident of the U.S. for U.S. federal income tax purposes, (ii) a corporation (or other entity taxable as a corporation for U.S. federal tax purposes) created or organized under the laws of the U.S. or any political subdivision thereof, including the States and the District of Columbia, (iii) an estate the income of which is subject to U.S. federal income tax regardless of its source, or (iv) a trust that (a) is subject to the primary jurisdiction of a court within the U.S. and for which one or more U.S. persons have authority to control all substantial decisions or (b) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If a pass-through entity, including a partnership or other entity taxable as a partnership for U.S. federal tax purposes, holds Common Shares, the U.S. federal income tax treatment of an owner or partner generally will depend on the status of such owner or partner and on the activities of the pass-through entity. A U.S. person that is an owner or partner of a pass-through entity holding Common Shares is urged to consult its own tax advisor.

This discussion assumes that Common Shares are held as capital assets (generally, property held for investment), within the meaning of the Code, in the hands of a U.S. Holder at all relevant times.

A U.S. HOLDER OF COMMON SHARES IS URGED TO CONSULT ITS OWN TAX ADVISOR REGARDING THE APPLICATION OF U.S. FEDERAL TAX LAWS TO ITS PARTICULAR SITUATION AND ANY TAX CONSEQUENCES ARISING UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S., OR OTHER TAXING JURISDICTION.

Passive Foreign Investment Company (PFIC) Considerations

Special and generally unfavorable U.S. federal income tax rules may apply to a U.S. Holder if its holding period in its Common Shares includes any period during a taxable year of the Company in which the Company is a passive foreign investment company (a “PFIC”). A non-U.S. corporation is a PFIC for each taxable year in which (i) 75% or more of its gross income is passive income or (ii) 50% or more of the average value (or, in certain circumstances, the adjusted tax basis for U.S. federal income tax purposes) of its assets are assets that either produce or are held for the production of passive income. Special rules apply where a non-U.S. corporation owns, directly or indirectly, at least 25% by value of the stock of another corporation (the “lower-tier corporation”). For purposes of determining whether the Company is a PFIC, it will be treated as if it held its proportionate share of the assets of any lower-tier corporation and received directly its proportionate share of the income of any lower-tier corporation.

For purposes of the PFIC rules, and subject to certain exceptions, passive income includes, in part, dividends, interest, royalties, rents, and net gains from certain transactions in commodities. Net gains from transactions in commodities will not be passive income for purposes of the PFIC rules if (i) they are active business gains or losses from the sale of commodities, and (ii) substantially all of the taxpayer’s commodities are (a) stock in trade or inventory of it, (b) property used in its trade or business, or (c) supplies regularly used or consumed by it in the ordinary course of its trade or business. The exploration, acquisition, and disposition of silver properties by the Company and its subsidiaries generally produces passive income, although in future years the Company and its subsidiaries may derive income

that qualifies as active income from the mining, processing, and sale of silver under the commodities transactions exception.

Under these PFIC rules, the Company believes that (i) it was a PFIC for its 2007 and 2008 taxable years, and (ii) based on the Company's anticipated operations, that it may be a PFIC for its 2009 taxable year, and may not be a PFIC for its 2010 and subsequent taxable years. In addition, the Company believes that certain of its subsidiaries were PFICs for their 2007 and 2008 taxable years and will be PFICs for their 2009 and subsequent taxable years ("PFIC Subsidiaries"). There can be no assurance regarding the PFIC classification of the Company or its subsidiaries for their 2009 and subsequent taxable years, because PFIC classification is fundamentally factual in nature, is determined annually, and generally cannot be determined until the close of the taxable year in question.

In the absence of a timely election described below, if a U.S. Holder's holding period in its Common Shares includes any period during a taxable year of the Company in which the Company is or will be a PFIC, the rules described below in "*The 'No Election' Alternative*" generally apply to gain realized on a disposition of Common Shares and certain distributions received with respect to Common Shares. If certain requirements are met, a U.S. Holder may mitigate certain of the consequences of those rules by timely making an election to mark its Common Shares to market, described below in "*The Mark-to-Market Election Alternative*", or to treat the Company and any PFIC Subsidiary each as a "qualified electing fund" (a "QEF"), described below in "*The QEF Election Alternative*".

If a U.S. Holder owns Common Shares during any year in which the Company is a PFIC, such U.S. Holder must also file IRS Form 8621.

The QEF Election Alternative

A U.S. Holder that makes a timely and effective QEF election (an "Electing U.S. Holder") generally would not be subject to the rules discussed below in "*The 'No Election' Alternative*". However, an Electing U.S. Holder will be subject to U.S. federal income tax on such Electing U.S. Holder's pro rata share of the Company's (a) net capital gain, which will be taxed as long-term capital gain to such Electing U.S. Holder, and (b) ordinary earnings, which will be taxed as ordinary income to such Electing U.S. Holder, in each case regardless of whether such amounts are actually distributed to such Electing U.S. Holder. However, an Electing U.S. Holder may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such Electing U.S. Holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible.

A QEF election applies only to the non-U.S. corporation for which it is made. If the Company were a PFIC, a U.S. Holder likely would remain subject to the excess distribution rules discussed below in "*The 'No Election' Alternative*" in respect of its indirectly owned shares in each PFIC Subsidiary regardless of a QEF election in respect of the Company, unless such U.S. Holder has made a QEF election in respect of such PFIC Subsidiary.

An Electing U.S. Holder generally (a) may receive a tax-free distribution from the Company to the extent that such distribution represents "earnings and profits" that were previously included in income by the Electing U.S. Holder because of such QEF election and (b) will adjust such Electing U.S. Holder's tax basis in the Common Shares to reflect the amount included in income or allowed as a tax-free distribution because of such QEF election. In addition, an Electing U.S. Holder generally will recognize capital gain or loss on the sale or other taxable disposition of Common Shares.

The procedure for making a QEF election, and the U.S. federal income tax consequences of making a QEF election, will depend on whether such QEF election is timely. A QEF election will be treated as “timely” if such QEF election is made for the first taxable year in the U.S. Holder’s holding period for the Common Shares in which the Company is a PFIC. If a U.S. Holder makes a QEF election after the first taxable year in the U.S. Holder’s holding period for the Common Shares in which the Company is a PFIC, then in addition to filing the QEF election documents, a U.S. Holder may elect to recognize gain (which will be taxed under the rules discussed below in “*The ‘No Election’ Alternative*”) as if the Common Shares were sold on the qualification date. The “qualification date” is the first day of the first taxable year in which the Company is a QEF with respect to such U.S. Holder. The election to recognize such gain can only be made if such U.S. Holder’s holding period for the Common Shares includes the qualification date. By electing to recognize such gain, such U.S. Holder will be deemed to have made a timely QEF election. In addition, under very limited circumstances, a U.S. Holder may make a retroactive QEF election if such U.S. Holder failed to file the QEF election documents in a timely manner. If a U.S. Holder fails to make a QEF election for the first taxable year in the U.S. Holder’s holding period for the Common Shares in which the Company is a PFIC, and does not elect to recognize gain as if the Common Shares were sold on the qualification date, such holder will not be treated as having made a “timely” QEF election and will continue to be subject to the special taxation rules discussed below in “*The ‘No Election’ Alternative*”.

A QEF election will apply to the taxable year for which such QEF election is made and to all subsequent taxable years, unless such QEF election is invalidated or terminated or the IRS consents to revocation of such QEF election. If a U.S. Holder makes a QEF election and, in a subsequent taxable year, the Company ceases to be a PFIC, the QEF election will remain in effect (although it will not be applicable) during those taxable years in which the Company is not a PFIC. Accordingly, if the Company becomes a PFIC in another subsequent taxable year, the QEF election will be effective and the U.S. Holder will be subject to the QEF rules described above during any such subsequent taxable year in which the Company qualifies as a PFIC.

Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF election. A U.S. Holder cannot make and maintain a valid QEF election unless the Company provides certain U.S. tax information necessary to make such an election. The Company expects to provide U.S. Holders with timely and accurate information as to its status as a PFIC and will use commercially reasonable efforts to provide to U.S. Holders holding Common Shares all information that a U.S. Holder making a QEF election with respect to the Company is required to obtain for U.S. federal income tax purposes. U.S. Holders should be aware that, with respect to any PFIC Subsidiary, there can be no assurance that the Company will satisfy record keeping requirements that apply to a QEF or that the Company will supply U.S. Holders with information that such U.S. Holders require to report under the QEF rules, in the event that the Company is a PFIC and a U.S. Holder wishes to make a QEF election with respect to such PFIC Subsidiary. Each U.S. Holder should consult its own tax advisor regarding the availability of, and procedure for making, a QEF election.

The Mark-to-Market Election Alternative

A U.S. Holder that holds “marketable stock” in a PFIC may avoid the imposition of the additional tax and interest described below by making a mark-to-market election in the first year of its holding period in such PFIC’s shares. The Common Shares will be marketable securities if they are regularly traded on a qualifying exchange that is either (i) a national securities exchange which is registered with the SEC or the national market system established pursuant to the Exchange Act, or (ii) any exchange or other market that the U.S. Treasury Department determines is adequate. The Company believes that the TSX and Nasdaq meet this test, and accordingly, provided that the Common Shares are regularly traded on the TSX

or Nasdaq, a U.S. Holder should be able to make a mark-to-market election with respect to the Common Shares if the Company is classified as a PFIC.

If a U.S. Holder were to make a timely mark-to-market election with respect to Common Shares that it will own at the close of its taxable year, such electing U.S. Holder would include as ordinary income in that taxable year any excess of the fair market value of its Common Shares as of the close of such year over its adjusted tax basis in the Common Shares. In addition, the U.S. Holder may claim an ordinary loss deduction for the excess, if any, of its adjusted tax basis in the Common Shares over the fair market value of the Common Shares at the close of the taxable year, but only to the extent of any prior net mark-to-market gains. An electing U.S. Holder's tax basis in its Common Shares will be adjusted to reflect any such income or loss. Any gain or loss on the sale of Common Shares will be ordinary income or loss, except that any loss will be ordinary loss only to the extent of the previously included net mark-to-market gain. An election to mark-to-market applies to the year for which the election is made and to subsequent years unless the PFIC shares cease to be marketable or the IRS consents to the revocation of the election. If the Company were to cease being a PFIC, a U.S. Holder that marked its Common Shares to market would not include mark-to-market gain or loss with respect to its Common Shares for any taxable year that the Company was not a PFIC.

A mark-to-market election applies only to the non-U.S. corporation for which it is made. If the Company were a PFIC, a U.S. Holder would remain subject to the excess distribution rules with respect to its indirectly owned shares in any PFIC Subsidiary even if such U.S. Holder has made a mark-to-market election in respect of the Company.

The “No Election” Alternative

If a U.S. Holder does not make a timely mark-to-market election or a timely QEF election (a “Non-Electing U.S. Holder”) and the Company is a PFIC, then special taxation rules will apply to (i) gains realized on the disposition (or deemed to be realized by reason of a pledge) of such U.S. Holder's Common Shares and (ii) certain “excess distributions” (generally, distributions received in the current taxable year that are in excess of 125% of the average distributions received during the three preceding years or, if shorter, such U.S. Holder's holding period) by the Company.

Pursuant to these rules, a Non-Electing U.S. Holder generally would be required to pro rate all gains realized on the disposition of any of its Common Shares and all excess distributions on its Common Shares over its entire holding period. All gains or excess distributions allocated to prior years of a U.S. Holder (other than any year before the first taxable year of the Company during such U.S. Holder's holding period for which it was a PFIC) would be taxed at the highest tax rate for each such prior year applicable to ordinary income. A Non-Electing U.S. Holder also would be liable for interest on the foregoing tax liability for each such prior year calculated as if such liability had been due with respect to each such prior year but had not been paid until the taxable year within which the gains or excess distributions have occurred. A Non-Electing U.S. Holder that is not a corporation would be required to treat this interest charge as “personal interest” which would be wholly nondeductible. The balance of the gain or the excess distribution would be treated as ordinary income in the year of the disposition or distribution, and no interest charge would be incurred with respect to such balance.

If the Company is a PFIC, a U.S. Holder would be deemed to own an interest in each of the Company's PFIC Subsidiaries for purposes of the PFIC rules, and therefore may be subject to the excess distribution rules on (i) a distribution with respect to the indirectly owned shares by a PFIC Subsidiary to the Company, (ii) a disposition by the Company of the indirectly owned shares in a PFIC Subsidiary, and (iii) a disposition by the U.S. Holder of Common Shares that reduces or terminates the U.S. Holder's indirect ownership of shares in a PFIC Subsidiary.

If the Company is a PFIC for any taxable year during which a Non-Electing U.S. Holder holds Common Shares, then for purposes of applying the rules described above, the Company will continue to be treated as a PFIC with respect to such U.S. Holder's Common Shares throughout such U.S. Holder's entire holding period in its Common Shares, even if it is no longer a PFIC in subsequent years. A Non-Electing U.S. Holder may terminate this deemed PFIC status by electing to recognize gain (which will be taxed under the rules for a Non-Electing U.S. Holder) as if its Common Shares had been sold on the last day of the last taxable year for which the Company was a PFIC.

Each U.S. Holder is urged to consult its own tax advisor regarding the Company's PFIC classification, the consequences to such U.S. Holder of the Company's PFIC classification, and the availability and the consequences of making a mark-to-market or QEF election.

Distributions on Common Shares

Subject to the discussion under "*Passive Foreign Investment Company (PFIC) Considerations*" above, the gross amount of any distribution paid by the Company will generally be subject to U.S. federal income tax as dividend income to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such amount will be includable in gross income by a U.S. Holder as ordinary income on the date such U.S. Holder actually or constructively receives the distribution. Dividends paid by the Company will not be eligible for the dividends received deduction generally allowed to corporations.

Subject to applicable exceptions with respect to short-term and hedged positions, certain dividends received by non-corporate U.S. Holders prior to January 1, 2011 from a "qualified foreign corporation" may be eligible for reduced rates of taxation ("qualified dividends"). A qualified foreign corporation includes a foreign corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States that the U.S. Treasury Department determines to be satisfactory for these purposes and that includes an exchange of information provision. The U.S. Treasury has determined that the Tax Convention meets these requirements, and the Company believes it is eligible for the benefits of the Tax Convention. Dividends received by U.S. investors from a foreign corporation that was a PFIC in either the taxable year of the distribution or the preceding taxable year will not constitute qualified dividends. As discussed above in "*Passive Foreign Investment Company (PFIC) Considerations*," the Company believes that it was a PFIC for its 2008 taxable year and that it may be a PFIC for its 2009 taxable year (and possibly subsequent taxable years). Accordingly, dividends paid on the Common Shares are not expected to constitute qualified dividends.

Dividends received by a U.S. Holder with respect to Common Shares will constitute foreign source income, which may be relevant in calculating the holder's foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. For this purpose, dividends paid by the Company with respect to the Common Shares will, depending on a U.S. Holder's circumstances, be "passive category" or "general category" income.

Subject to certain limitations, any Canadian tax withheld with respect to distributions made on the Common Shares may be treated as foreign taxes eligible for credit against a U.S. Holder's U.S. federal income tax liability. Alternatively, a U.S. Holder may, subject to applicable limitations, elect to deduct the otherwise creditable Canadian withholding taxes for U.S. federal income tax purposes. The rules governing the foreign tax credit are complex and their application depends on each taxpayer's particular circumstances. Accordingly, U.S. Holders are urged to consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

To the extent that a distribution exceeds the amount of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles, it will be treated first as a tax-free return of capital, causing a reduction in the U.S. Holder's adjusted basis in the Common Shares held by such U.S. Holder (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by such U.S. Holder upon a subsequent disposition of the Common Shares), with any amount that exceeds the adjusted basis being taxed as a capital gain recognized on a sale or exchange (as discussed under "*Sale, Exchange or Other Taxable Disposition of Common Shares*" below). However, the Company does not intend to maintain calculations of earnings and profits in a manner necessary to enable U.S. Holders to determine the extent to which a distribution would be treated as a dividend. Each U.S. Holder should therefore assume that any distribution by the Company with respect to the Common Shares will constitute ordinary dividend income.

The gross amount of distributions paid in any foreign currency will be included by each U.S. Holder in gross income in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day the distributions are paid, regardless of whether the payment is in fact converted into U.S. dollars. If the foreign currency is converted into U.S. dollars on the date of the payment, the U.S. Holder should not be required to recognize any foreign currency gain or loss with respect to the receipt of the foreign currency distributions. If instead the foreign currency is converted at a later date, any currency gains or losses resulting from the conversion of the foreign currency will be treated as U.S. source ordinary income or loss.

Sale, Exchange, or Other Taxable Disposition of Common Shares

Subject to the discussion above under "Passive Foreign Investment Company (PFIC) Considerations," a U.S. Holder generally will recognize gain or loss on the sale, exchange or other taxable disposition of Common Shares in an amount equal to the difference between the amount realized on the disposition and the U.S. Holder's adjusted tax basis in the Common Shares. Such gain or loss generally will be long-term capital gain or loss if the U.S. Holder held the Common Shares for more than one year at the time of the sale, exchange or other disposition. Preferential tax rates may apply to long-term capital gains or losses of a U.S. Holder that is an individual, trust or estate. The deductibility of capital losses is subject to significant limitations.

If a U.S. Holder receives any foreign currency on the sale of Common Shares, such U.S. Holder may recognize ordinary income or loss as a result of currency fluctuations between the date of the sale of Common Shares and the date the sale proceeds are converted into U.S. dollars.

U.S. Information Reporting and Backup Withholding Tax

Under U.S. federal income tax law and regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. Penalties for failure to file certain of these information returns are substantial. U.S. Holders of the Common Shares should consult with their own tax advisors regarding the requirements of filing information returns.

Dividends and proceeds from the sale or other disposition of Common Shares that are paid in the United States or by a U.S.-related financial intermediary will be subject to U.S. information reporting rules, unless a U.S. Holder is a corporation or other exempt recipient. In addition, payments that are subject to information reporting may be subject to backup withholding (currently at a 28% rate) if a U.S. Holder does not provide its taxpayer identification number and otherwise comply with the backup withholding rules. Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules are available to be credited against a U.S. Holder's U.S. federal income tax liability and may be refunded

to the extent they exceed such liability, provided the required information is provided to the IRS in a timely manner.

F. Dividends and Paying Agents

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

G. Statement by Experts

This Form 20-F is being filed as an annual report under the Exchange Act, and, as such, there is no requirement to provide any information under this item.

H. Documents on Display

Any of the documents referred to above can be viewed at our registered office, which is located at Suite 1180, 999 West Hastings Street, Vancouver, British Columbia, Canada. All of these documents are in English.

I. Subsidiary Information

This information is not required for reports filed in the United States.

Item 11 Quantitative and Qualitative Disclosures About Market Risk

Our primary market risk exposures are interest rate risk and foreign currency risk. We are exposed to interest rate risk on our cash and cash equivalents.

Our reporting currency is the Canadian dollar. We are exposed to foreign exchange risk associated with purchases of goods and equipment denominated in U.S. dollars, cash and cash equivalents. Gains and losses resulting from the effects of changes in the U.S. dollar to Canadian dollar exchange rate are recorded in income.

Interest rate risk

We invest our cash resources in liquid government and corporate debt instruments having a R-1 (high) credit rating or greater from the Canadian Dominion Bond Rating Service. As at December 31, 2008, the weighted average interest rate of our cash equivalents investment was 0.55%. With other variables unchanged, a 1% increase (decrease) in the interest rate would increase (decrease) our net earnings by \$1,688,000. We do not believe that the results of operations or cash flows would be affected to any significant degree by a sudden change in market interest rates relative to interest rates on our investments, owing to the relative short-term nature of the investments.

Credit risk

Financial instruments potentially exposing us to a concentration of credit risk consist principally of cash and cash equivalents. We manage this credit risk by investing only in obligations of any Province of Canada, Canada or the United States of America or their respective agencies, obligations of enterprises sponsored by any of the above governments; banker's acceptances purchased in the secondary market and having received an R-1 (high) rating from the Canadian Dominion Bond Rating Service or comparable

US rating service, with a term of less than 180 days; and bank term deposits and bearer deposit notes, with a term of less than 180 days.

Exchange rate sensitivity

Our functional currency is considered to be the Canadian dollar. Accordingly, monetary items denominated in a foreign currency are translated into Canadian dollars at exchange rates in effect at the balance sheet dates and non-monetary items are translated at historical rates of exchange. Income and expenses are translated at the average rate for the period. Foreign exchange gains and losses are reflected in the Consolidated Statement of Earnings (Loss), Comprehensive Loss and Deficit unless they relate to a specific property in which case they are capitalized.

As our functional or measurement currency is the Canadian dollar, U.S. dollar exchange rate fluctuations may have a significant impact from an accounting perspective, but they do not impair or enhance our ability to pay these U.S. dollar denominated expenses. As at December 31, 2008, with other variables unchanged, a \$0.01 strengthening (weakening) of the US dollar against the Canadian dollar would decrease (increase) our net earnings by \$59,000.

In August 2007, we entered into forward foreign exchange contracts to purchase, in aggregate, US\$40 million for delivery from December 2007 to March 2008. The fair value of the remaining contracts at December 31, 2007 was a liability of \$1.4 million. The related loss was recorded in unrealized loss on financial instrument held-for-trading in the statement of operations, deficit and comprehensive income based on mark-to-market adjustments.

Limitations

The above discussion includes only those exposures that exist as of December 31, 2008 and as a result, does not consider exposures or positions that could arise after that date. Our ultimate realized gain or loss with respect to interest rate and exchange rate fluctuations would depend on the exposures that arise during the period and interest and foreign exchange rates. Reference is made to note 5(d) to the consolidated financial statements for a description of financial risk management.

Item 12 Description of Securities Other than Equity Securities

This Form 20-F is being filed as an annual report under the Exchange Act, and as such, there is no requirement to provide any information under this item.

PART II

Item 13 Defaults, Dividend Arrearages and Delinquencies

Not applicable.

Item 14 Material Modifications to the Rights of Security Holders and Use of Proceeds

Not applicable.

Item 15 Controls and Procedures

Our management, with the participation of the President (our principal executive officer) and Vice President, Finance (our principal financial officer), has evaluated the effectiveness of our disclosure

controls and procedures (as defined in the rules of the Canadian Securities Administrators and the SEC) as at December 31, 2008, and has concluded that such disclosure controls and procedures are effective.

The following report is provided by management in respect of internal control over financial reporting (as defined in the rules of the Canadian Securities Administrators and the SEC):

- (1) Management is responsible for establishing and maintaining adequate internal control over financial reporting. All internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. 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.
- (2) Our management has used the Committee of Sponsoring Organizations of the Treadway Commission (COSO) framework to evaluate the effectiveness of our internal control over financial reporting.
- (3) As at December 31, 2008, management assessed the effectiveness of our internal control over financial reporting and concluded that such internal control over financial reporting was effective and that there were no material weaknesses in our internal control over financial reporting as of that date.
- (4) PricewaterhouseCoopers LLP, who has audited our consolidated financial statements for the year ended December 31, 2008, has also issued a report on our financial statements and internal controls under the standards of the Public Company Accounting Oversight Board (United States). See Item 19.A - "Financial Statements".

There have been no changes in our internal control over financial reporting during the year ended December 31, 2008, that have materially affected, or are reasonably likely to affect our internal control over financial reporting.

It should be noted that while our principal executive officer and principal financial officer believe that our disclosure controls and procedures and internal controls over financial reporting provide a reasonable level of assurance that they are effective, they do not expect that our disclosure controls and procedures or internal controls 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.

Item 16 [Reserved]

A. Audit committee financial expert.

Our board of directors has determined that we have an audit committee financial expert, John R. Brodie, FCA. Mr. Brodie, FCA is the Chair of our Audit Committee and independent as that term is defined in the listing standards of the Nasdaq Global Market. For more information regarding Mr. Brodie's experience, see Item 6.A - "Directors and Senior Management".

B. Code of Ethics.

We have adopted a Code of Business Conduct that applies to our principal executive officer, principal financial officer and other senior financial officers performing similar functions. Our Code of Business Conduct is available for viewing on our website at www.silverstandard.com.

C. Principal Accountant Fees and Services.

The following is a summary of the aggregate fees billed for each of the last two fiscal years by our principal accountant.

Principal Accountant Fees and Services	Fiscal year ended December 31, 2008	Fiscal year ended December 31, 2007
Audit Fees ⁽¹⁾	\$384,560	\$265,250
Tax Fees	-	-
All Other Fees	-	-
Total	\$384,560	\$265,250

(1) Audit of consolidated financial statements including accounting consultations and tax services related to the audit; reviews of interim financial statements; fees in connection with regulatory financial filings

Pre-Approval Policies and Procedures

Our Audit Committee has established policies and procedures that are intended to control the services provided by our auditors and to monitor their continuing independence. Under these policies, no services may be undertaken by our auditors unless the engagement is specifically approved by our Audit Committee or the services are included within a category which has been pre-approved by our Audit Committee. The maximum charge for services is established by the Audit Committee when the specific engagement is approved or the category of services pre-approved. Management is required to notify the Audit Committee of the nature and value of pre-approved services undertaken.

Our Audit Committee will not approve engagements relating to, or pre-approve categories of, non-audit services to be provided by our auditors (i) if such services are of a type the performance of which would cause our auditors to cease to be independent within the meaning of applicable SEC or Nasdaq rules, and (ii) without consideration, among other things, of whether our auditors are best situated to provide the required services and whether the required services are consistent with their role as auditor.

All services provided by our principal accountant in 2007 were pre-approved by our audit committee.

D. Exemptions from the Listing Standards for Audit Committees.

Not applicable.

E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Not applicable.

F. Change in Registrant's Certifying Accountant.

Not applicable.

G. Corporate Governance.

We are subject to a variety of corporate governance guidelines and requirements enacted by the TSX, the Nasdaq and by the SEC under its rules and those mandated by the U.S. Sarbanes Oxley Act of 2002. Today, we are in compliance with the corporate governance legal requirements in Canada and the United States. We are listed on the Nasdaq and, although we are not required to comply with all of the Nasdaq's corporate governance requirements to which we would be subject if we were a U.S. corporation, our governance practices comply with the Nasdaq's requirements as if we were a U.S. domestic issuer.

PART III

Item 17 Financial Statements

Not applicable.

Item 18 Financial Statements

Our audited consolidated financial statements are stated in Canadian Dollars and are prepared in accordance with Canadian GAAP, which differs in certain respects from those principles that we would have followed had our audited consolidated financial statements been prepared in accordance with US GAAP. The major differences between Canadian and U.S. GAAP, as they affect us, are disclosed in note 18 to the audited consolidated financial statements.

The financial statements and notes thereto as required under Item 18 are attached to this Annual Report, are individually listed under Item 19, and are found immediately following the text of this Annual Report. The audit report of PricewaterhouseCoopers LLP is included in this Annual Report immediately preceding the financial statements.

Item 19 Exhibits

All financial statements and exhibits referred to in this Item 19 are incorporated by reference into this Annual Report.

A. Financial Statements

Document	Page
Consolidated Financial Statements as at December 31, 2008, 2007 and 2006 (in Canadian Dollars)	F-1
Auditors' Report, dated March 10, 2009	F-3
Consolidated Balance Sheets as at December 31, 2008 and December 31, 2007 (in Canadian Dollars)	F-5
Consolidated Statements of Earnings/Loss and Deficit for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).	F-6

Document	Page
Consolidated Statements of Cash Flows for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).	F-7
Consolidated Statements of Shareholders' Equity for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).	F-8
Notes to Consolidated Financial Statements for the years ended December 31, 2008, December 31, 2007 and December 31, 2006 (in Canadian Dollars).	F-9

B. Exhibits

Exhibit Number	Description
1.1	Memorandum, Articles and Certificate of Incorporation incorporated by reference from Exhibit 1.1 to Registration Statement under the Securities Exchange Act of 1934 on Form 20-F, file no. 0-26424 filed on July 13, 1995.
1.2	Notice of Articles and Articles filed under the <i>Business Corporations Act</i> (British Columbia) incorporated by reference from Exhibit 1.2 to Annual Report for the fiscal year ended December 31, 2005 under the Securities Exchange Act of 1934 on Form 20-F, file no. 0-26424 filed on March 31, 2006.
2.1	Indenture, dated as of February 27, 2008, between the Company and the Bank of New York, as trustee, incorporated by reference from Exhibit 2.1 to Annual Report for the fiscal year ended December 31, 2007 under the Securities Exchange Act of 1934 on Form 20-F, file no. 0-26424 filed on March 31, 2008.
8.1	List of Significant Subsidiaries (as defined in Rule 1-02(w) of Regulation S-X) included under Item 4.C, Organizational Structure.
10.1	Underwriting Agreement dated February 24, 2009 incorporated by reference from Exhibit 99.1 to Report of Foreign Private Issuer under the Securities Exchange Act of 1934 on Form 6-K, file no. 0-26424 filed on February 25, 2009.
12.1	Certification of President Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
12.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
13.1	Certification of President Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
13.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Silver Standard Resources Inc.

(a development stage company)

Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(expressed in thousands of Canadian dollars)

Management's Responsibility for the Financial Statements

The preparation and presentation of the accompanying consolidated financial statements, Management Discussion and Analysis ("MD&A") and all financial information in the Annual Report are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles. 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. The financial information presented elsewhere in the Annual Report is consistent with that in the consolidated financial statements.

Management, under the supervision of and the participation of the President and Chief Financial Officer, have 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 President and Chief Financial Officer, will certify our annual filings with the CSA and SEC as required in Canada by Multilateral 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 is responsible for establishing and maintaining adequate internal control over financial reporting.

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2008 using criteria established in Internal Control – Integrated Framework 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, 2008.

PricewaterhouseCoopers LLP, our auditors, has audited the effectiveness of our internal control over financial reporting as of December 31, 2008, as stated in their report which appears herein.

"R.A. Quartermain"
Robert A. Quartermain
President

"Tom S.Q. Yip"
Tom S.Q. Yip
Chief Financial Officer

March 10, 2009

Independent Auditors' Report

To the Shareholders of Silver Standard Resources Inc.

We have completed integrated audits of the consolidated financial statements of Silver Standard Resources Inc. (the "Company") for 2008, 2007 and 2006 and of its internal control over financial reporting as at December 31, 2008. Our opinions, based on our audits, are presented below.

Consolidated financial statements

We have audited the accompanying consolidated balance sheets of Silver Standard Resources Inc. as at December 31, 2008 and December 31, 2007, and the related consolidated statements of earnings (loss), comprehensive loss, cash flows and shareholders' equity for each of the years in the three year period ended December 31, 2008. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits of the Company's financial statements 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 an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. A financial statement audit also includes assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at December 31, 2008 and December 31, 2007 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2008 in accordance with Canadian generally accepted accounting principles.

Internal control over financial reporting

We have also audited Silver Standard Resources Inc.'s internal control over financial reporting as at December 31, 2008, based on criteria established in *Internal Control - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's 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 the accompanying Management's Report on Internal Controls over Financial Reporting. Our responsibility is to express an opinion on the effectiveness of 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 opinion.

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.

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.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2008 based on criteria established in *Internal Control — Integrated Framework* issued by the COSO.

Signed *PricewaterhouseCoopers LLP*

Chartered Accountants

Vancouver, British Columbia

March 10, 2009

Comments by Auditors for U.S. Readers on Canada-U.S. Reporting Differences

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there are changes in accounting principles that have a material effect on the comparability of the Company's financial statements, such as the changes described in note 3 to the financial statements. Our report to the shareholders dated March 10, 2009 is expressed in accordance with Canadian reporting standards which do not require a reference to such a change in accounting principles in the auditors' report when the change is properly accounted for and adequately disclosed in the financial statements.

Signed *PricewaterhouseCoopers LLP*

Chartered Accountants

Vancouver, British Columbia

March 10, 2009

Silver Standard Resources Inc.

(a development stage company)

Consolidated Balance Sheets

As at December 31, 2008 and 2007

(expressed in thousands of Canadian dollars)

	Note	2008 \$	2007 \$
Assets			(Restated)
Current assets			
Cash and cash equivalents		88,187	80,629
Silver bullion	4	-	15,787
Marketable securities	5a	13,376	33,209
Accounts receivable		3,394	2,903
Prepaid expenses and deposits		1,355	453
		106,312	132,981
Restricted cash	10	2,196	1,809
Other investments	6	26,700	45,102
Convertible debenture	5c	7,315	-
Valued added tax recoverable	7	37,145	9,527
Mineral property costs and property, plant, and equipment	8	515,790	302,588
Mineral property held-for-sale	8	-	6,837
		695,458	498,844
Liabilities and Shareholders' Equity			
Current liabilities			
Accounts payable		25,029	9,640
Accrued liabilities		13,318	3,632
Accrued interest on convertible notes	9	2,530	-
Current portion of taxes payable		14,346	-
Current portion of asset retirement obligations	10	287	1,029
Foreign exchange derivatives	5b	-	1,412
		55,510	15,713
Asset retirement obligations	10	3,954	2,827
Taxes payable		4,127	-
Future income tax liability		27,351	25,253
Long-term convertible notes	9	127,415	-
		218,357	43,793
Non-controlling interest		608	608
		218,965	44,401
Shareholders' Equity			
Share capital	11a	463,125	459,888
Value assigned to stock options	11b	41,164	31,810
Value assigned to convertible notes	9	36,553	-
Contributed surplus		649	649
Accumulated other comprehensive income		2,772	19,377
Deficit		(67,770)	(57,281)
		476,493	454,443
		695,458	498,844

Commitments (note 17)

Subsequent events (note 19)

Approved on behalf of the Board of Directors

"John R. Brodie"

John R. Brodie, FCA

(Chairman of the Audit Committee)

"Peter W. Tomsett"

Peter W. Tomsett

(Director)

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

Silver Standard Resources Inc.

(a development stage company)

Consolidated Statements of Earnings (Loss) and Comprehensive Loss

For the years ended December 31, 2008, 2007 and 2006

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

	Note	2008 \$	2007 \$	2006 \$
		(Restated)		
Exploration and mineral property costs				
Property examination and exploration		365	78	267
Mineral property costs written-off		-	-	101
Reclamation and accretion	10	352	782	2,131
		(717)	(860)	(2,499)
Expenses				
Salaries and employee benefits		3,323	2,808	2,260
Depreciation		305	318	142
Professional fees		978	658	614
General and administration		5,119	5,054	4,025
Stock-based compensation	11b	10,201	14,999	12,935
Foreign exchange loss		391	3,527	75
		(20,317)	(27,364)	(20,051)
Other income (expenses)				
Investment income		3,190	6,757	5,984
Financing fees	9	(3,690)	-	-
Interest expense on convertible debt	9	(2,769)	-	-
Gain on sale of silver bullion	4	23,457	-	-
Gain on sale of marketable securities		2,105	650	(2,667)
Unrealized gain (loss) on financial instruments held-for-trading	5a,b,c	4	(1,801)	-
Write-up (down) of marketable securities	5a	(5,990)	-	52
Write-up (down) of other investments	6	(18,402)	(12,000)	-
Gain on sale of joint venture interest	8ii	-	-	35,390
Gain on sale of mineral property	8xvii	31,526	493	173
		29,431	(5,901)	38,932
Earnings (loss) before income taxes		8,397	(34,125)	16,382
Income taxes:				
Current income taxes	8xvii	15,470	-	-
Future income taxes	3e	3,416	1,098	-
		18,886	1,098	-
Earnings (Loss) for the year		(10,489)	(35,223)	16,382
Weighted average shares outstanding (thousands)				
Basic		62,694	62,148	58,652
Diluted		62,694	62,148	58,904
Earnings (Loss) per common share				
Basic earnings (loss) per share		(0.17)	(0.57)	0.28
Diluted earnings (loss) per share		(0.17)	(0.57)	0.28
Comprehensive income				
Earnings (Loss) for the year		(10,489)	(35,223)	
Other comprehensive loss				
Unrealized loss on marketable securities, net of tax	5a	(14,859)	(5,339)	
Reclassification of realized gain on sale of marketable securities, net of tax	5a	(1,746)	-	
Other comprehensive loss for the year		(16,605)	(5,339)	
Comprehensive loss for the year		(27,094)	(40,562)	

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

Silver Standard Resources Inc.

(a development stage company)

Consolidated Statements of Cash Flows

For the years ended December 31, 2008, 2007 and 2006

(expressed in thousands of Canadian dollars)

	Note	2008 \$	2007 \$	2006 \$
		(Restated)		
Operating activities				
Earnings (Loss) for the year		(10,489)	(35,223)	16,382
Items not affecting cash				
Depreciation		305	318	142
Stock-based compensation	11b	10,201	14,999	12,935
Asset retirement obligations		383	647	2,053
Mineral property costs written-off		-	-	101
Gain on sale of marketable securities	5a	(2,105)	(650)	2,667
Gain on sale of silver bullion	4	(23,457)	-	-
Gain on sale of joint venture interest		-	-	(35,390)
Gain on sale of mineral property		(31,526)	(493)	(152)
Unrealized loss (gain) on held-for-trading financial instruments	5a,b	(4)	1,801	-
Accretion expense on convertible notes	9	1,305	-	-
Interest income on convertible debenture	5c	(384)	-	-
Write-down (up) of marketable securities	5a	5,990	-	(52)
Write-down of other investments	6	18,402	12,000	-
Future income tax expense	3e	3,416	1,098	-
Increase in non-current taxes payable		3,370	-	-
Foreign exchange loss (gain)		27,760	267	(1)
Donation of shares		-	960	230
Increase (decrease) in non-cash working capital items	15	14,836	(255)	(1,415)
Cash generated by (used in) operating activities		18,003	(4,531)	(2,500)
Financing activities				
Proceeds from issuance of convertible notes	9	134,936	-	-
Financing costs related to equity portion of convertible notes financing	9	(1,440)	-	-
Shares and warrants issued for cash		2,319	11,794	214,863
Share issue cash costs		-	-	(11,596)
Cash generated by financing activities		135,815	11,794	203,267
Investing activities				
Mineral property costs		(47,395)	(42,749)	(39,379)
Property, plant and equipment		(135,771)	(45,556)	(3,608)
Increase in value added tax recoverable (net)		(27,618)	(8,200)	(1,327)
Net proceeds from sale of mineral property	8	22,480	-	13
Proceeds from sale of silver bullion	4	39,244	-	-
Proceeds from sale of marketable securities	5a	2,800	812	52,410
Reliant, net of cash		-	193	-
Increase in investment in restricted cash		-	-	(1,912)
Purchase of marketable securities		-	(3,648)	(378)
Other investments reclassified		-	(57,102)	-
Cash used in investing activities		(146,260)	(156,250)	5,819
Increase (decrease) in cash and cash equivalents		7,558	(148,987)	206,586
Cash and cash equivalents - Beginning of year		80,629	229,616	23,030
Cash and cash equivalents - End of year		88,187	80,629	229,616

Supplementary cash flow information (note 15)

Silver Standard Resources Inc.

(a development stage company)

Consolidated Statements of Shareholders' Equity

For the years ended December 31, 2008, 2007 and 2006

(expressed in thousands of Canadian dollars)

	Common Shares		Values assigned to stock options	Values assigned to convertible notes	Contributed Surplus	Accumulated other comprehensive income	Retained earnings (deficit)	Total shareholders' equity
	Number of shares (thousands)	Amount \$	\$	\$	\$	\$	\$	\$
						(Restated)	(Restated)	(Restated)
Balance, December 31, 2005	51,849	219,971	9,778	6,965	-	-	(43,524)	193,190
Issued for cash:								
Public offering	7,200	182,663	-	-	-	-	-	182,663
Exercise of options	669	6,548	-	-	-	-	-	6,548
Exercise of warrants	1,387	25,652	-	-	-	-	-	25,652
For mineral property	530	9,814	-	-	-	-	-	9,814
Value assigned to options granted	-	-	13,686	-	-	-	-	13,686
Value of options exercised	-	2,583	(2,583)	-	-	-	-	-
Value of warrants exercised	-	6,400	-	(6,400)	-	-	-	-
Donations	11	230	-	-	-	-	-	230
Share issue costs	-	(11,596)	-	-	-	-	-	(11,596)
Options expired	-	-	(83)	-	83	-	-	-
Warrants expired	-	-	-	(565)	566	-	-	1
Earnings (loss) for the year	-	-	-	-	-	-	16,382	16,382
Balance, December 31, 2006	61,646	442,265	20,798	-	649	-	(27,142)	436,570
Transition adjustment to opening balance (note 2)	-	-	-	-	-	24,716	5,084	29,800
Issued for cash:								
Exercise of options	887	11,794	-	-	-	-	-	11,794
Exercise of warrants	-	-	-	-	-	-	-	-
For mineral property	9	358	-	-	-	-	-	358
Value assigned to options granted	-	-	15,523	-	-	-	-	15,523
Value of options exercised	-	4,511	(4,511)	-	-	-	-	-
Value of warrants exercised	-	-	-	-	-	-	-	-
Donations	27	960	-	-	-	-	-	960
Other comprehensive loss	-	-	-	-	-	(5,339)	-	(5,339)
Earnings (loss) for the year	-	-	-	-	-	-	(35,223)	(35,223)
Balance, December 31, 2007	62,569	459,888	31,810	-	649	19,377	(57,281)	454,443
Issued for cash:								
Exercise of options	186	2,319	-	-	-	-	-	2,319
Value assigned to options granted	-	-	10,272	-	-	-	-	10,272
Value of options exercised	-	918	(918)	-	-	-	-	-
Value assigned to convertible notes	-	-	-	36,553	-	-	-	36,553
Other comprehensive loss	-	-	-	-	-	(16,605)	-	(16,605)
Earnings (loss) for the year	-	-	-	-	-	-	(10,489)	(10,489)
Balance, December 31, 2008	62,755	463,125	41,164	36,553	649	2,772	(67,770)	476,493

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

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

1 NATURE OF OPERATIONS

We are a development stage company that, since 1994, has assembled a portfolio of silver-dominant projects, which are located in seven countries in the Americas and Australia. We are now focused on advancing our five principal projects to commercial production. These include the Pirquitas Project, the San Luis Project, the Pitarrilla Project, the Diablillos Project and the Snowfield Project. In addition to our five principal projects, we hold a geologically-diverse portfolio of other predominantly silver projects in various stages of exploration.

Management has estimated that we will have adequate funds from existing working capital to meet our corporate, development, administrative and property obligations for the coming year, including the construction of the Pirquitas property. We will periodically need to obtain additional financing (see note 19 – Subsequent events), and while we have been successful in the past, there can be no assurance that we will be able to do so in the future.

The recoverability of the amounts shown for mineral properties and related deferred costs is dependent upon the existence of economically recoverable reserves, our ability to obtain necessary financing to complete the development, and upon future profitable production. The amounts shown as deferred expenditures and property acquisition costs represent net costs to date, less amounts amortized and/or written-off, and do not necessarily represent present or future values.

2 SIGNIFICANT ACCOUNTING POLICIES

Generally accepted accounting principles

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”). The significant differences between these principles and those that would be applied under U.S. generally accepted accounting principles and requirements promulgated by the Securities and Exchange Commission (collectively “U.S. GAAP”), as they affect the company, are disclosed in note 18.

Basis of presentation

The consolidated financial statements include the accounts of the company and its wholly-owned subsidiaries, the most significant of which are presented in the following table:

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Subsidiary	Location	Ownership	Project
Candelaria Mining Company	Delaware	100%	Candelaria
Mina Pirquitas, Inc.	Delaware	100%	Pirquitas
Maverick Silver Inc.	Nevada	100%	Maverick Springs
Sociedad Minera Berenguela S.A.	Peru	100%	Berenguela
Reliant Ventures S.A.C.	Peru	55%	San Luis
Minera Silver Standard Chile S.A.	Chile	100%	Challacollo
Pacific Rim Mining Corporation Argentina, S.A.	Argentina	100%	Diablillos
Silver Standard Australia Pty Limited	Australia	100%	Bowdens
777666 B.C. Ltd.	Canada	100%	Snowfield/Sulphurets
Silver Standard Durango S.A. de C.V.	Mexico	100%	Pitarrilla
Silver Standard Exploraciones S.A. de C.V.	Mexico	100%	Veta Colorada

All inter-company transactions and balances have been eliminated on consolidation.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and related notes. Significant areas where management's judgment is applied are asset impairment, stock-based compensation, future income tax valuation reserves, ore reserve determinations and asset retirement obligations. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications of prior year balances have been made to conform to the current year presentation. These reclassifications have had no impact on previously reported total current assets, total assets and working capital position, and do not affect previously reported cash flows from investing and financing activities.

Foreign currency translation

Our subsidiaries are considered to be integrated foreign operations whose financial position and results of operations are translated into Canadian dollars using the temporal method. Monetary items are translated at the exchange rate in effect at the balance sheet date; non-monetary items are translated at historical exchange rates. Income and expense items are translated at the average exchange rate for the period. Translation gains and losses are reflected in the Consolidated Statements of Earnings (Loss) and Comprehensive Loss unless they relate to a specific mineral property in which case they are capitalized.

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and short-term investments with original maturities of three months or less and are stated at cost, which approximates market value.

Silver bullion

Silver bullion is valued at the lower of original cost or net realizable value.

Financial Instruments

As at December 31, 2008, our financial instruments are comprised of cash and cash equivalents, marketable securities, accounts receivable, restricted cash, convertible debenture receivable, other investments, accounts payable, accrued liabilities, and convertible notes. The fair value of accounts receivable, accounts payable and accrued liabilities approximate their carrying value due to their short-term maturity or capacity of prompt liquidation.

Cash equivalents

Cash equivalents are composed of short-term investments with provinces of Canada, Canada or the United States of America or their respective agencies, with a term of less than 90 days. Cash and cash equivalents are designated as held-for-trading as at December 31, 2008.

Marketable securities

Marketable securities are reported at their fair market value based on quoted market prices. Non-derivative based marketable securities are designated as available-for-sale financial instruments, as they were not acquired for purpose of trading. Derivative based marketable securities are designated as held-for-trading financial instruments as their default category.

Restricted cash

Restricted cash is designated as available-for-sale as it is not acquired for purpose of trading and has short-term maturity.

Convertible debenture receivable

Convertible debenture receivable consists of a note receivable component and a conversion feature component. The note receivable component is designated as loans and receivable and is recorded at amortized cost. The conversion feature is a derivative and is recorded at fair value based on the Black-Scholes model, with changes in fair value reflected in earnings.

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Other investments

Other investments consist of note receivables received from restructuring of our asset-backed commercial paper investments. As no quoted market price is available, these note receivables are reported at their fair value, estimated based on a combination of valuation techniques (see note 6). Other investments are currently designated as available-for-sale and classified as non-current assets due to uncertainty in development of a secondary market.

Convertible notes

Convertible notes are designated as other liabilities and related transaction costs on the debt component are expensed as incurred. Interest expense related to development expenditures incurred on Piriquitas is capitalized to construction in progress.

Mineral property costs and property, plant and equipment

Mineral property costs

We record our interests in mineral properties at cost. Costs include the costs of acquiring mineral properties and related exploration and development expenditures, interest expense allocable to the cost of developing mining properties and to construct new facilities and holding costs to maintain a property. Related foreign exchange amounts are deferred. These costs are amortized using the units-of-production method against future production or are written-off if the properties are sold, allowed to lapse or abandoned. General exploration is expensed in the period incurred.

Option payments received are treated as a reduction of the carrying value of the related mineral property and deferred costs until the payments are in excess of costs incurred, at which time they are then credited to income. Options payments are at the discretion of the optionee, and accordingly, are accounted for on a cash basis or when receipt is reasonably assured.

Our management regularly reviews the recoverability of the carrying value of each mineral property. Where information and conditions suggest impairment, estimated future cash flows are calculated using estimated future prices, proven and probable reserves, weighted probable outcomes and operating capital and reclamation costs on an undiscounted basis. If it is determined that the future cash flows are less than the carrying value, a write-down to the estimated fair value is expensed for the period. Where estimates of future net cash flows are not available and where other conditions suggest impairment, management assesses if carrying values can be recovered. If the carrying values exceed estimated recoverable values, then the costs are written-down to fair values with the write-down expensed in the year.

Management's estimates of future mineral prices, recoverable resources, initial and operating capital and reclamation costs are subject to certain risks and uncertainties that may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur that could adversely affect management's estimate of the net cash flows to be generated from its properties.

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over the useful life of the asset at rates ranging from 10% to 30% per annum once the asset is put in service. Construction in progress is recorded at cost and re-allocated to mining equipment and machinery when it becomes available for use. Depreciation for mining equipment and machinery is calculated on a straight-line basis over the useful life of the equipment or the life of mine when it becomes available for use. Leasehold improvements are amortized over the shorter of their economic lives and the lease term plus lease renewals, if any, only when such renewals are reasonably assured. Depreciation charges on assets that are directly related to mineral properties are allocated to that mineral property. We assess if an impairment loss exists when events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss is recognized if the carrying amount of a long-lived asset exceeds the sum of the undiscounted cash flows expected to result from its use and eventual disposition. The amount of the loss is measured as the amount by which long-lived asset's carrying value exceeds its fair value.

Asset retirement obligations

We recognize a liability for our legal obligations associated with the retirement of property, plant and equipment when the liability is incurred. A liability is recognized initially at fair value and the resulting amount is capitalized as part of the asset's carrying value unless the asset has been previously written-off, in which case the amount is expensed. The liability is accreted over time through periodic charges to earnings where the assets have previously been written-off or to mineral property costs where the assets are in the pre-production stage. In subsequent periods, we adjust the carrying amounts of the asset and the liability for changes in estimates of the amount or timing of underlying future cash flows. The fair value of the legal obligation for asset retirement is assessed each reporting period.

It is reasonably possible that our estimates of our ultimate reclamation and site restoration liability could change as a result of changes in regulations or cost estimates. The effect of changes in estimated costs is recognized on a prospective basis.

Stock-based compensation

Compensation expense for stock options granted to employees or non-employees is measured at the fair value using the Black-Scholes valuation model and is recognized over the vesting period of the options granted. In situations where stock options are granted in exchange for services directly related to specific mineral properties, the expense is capitalized against that mineral property. The value assigned to stock options shown on the balance sheet is subsequently reduced if the options are exercised and the amount so reduced is then credited to share capital. Any values assigned to stock options that have expired are transferred to contributed surplus.

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income taxes

The liability method of income tax allocation is used and is based on differences between financial reporting and tax bases of assets and liabilities. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Future tax assets are recognized to the extent that they are considered more likely than not to be realized.

Earnings (loss) per common share

Earnings (loss) per share is calculated based on the weighted average number of common shares issued and outstanding during the year. We follow the treasury stock method in the calculation of diluted earnings per share. Under this method, the weighted average number of shares includes the potential net issuances of common shares for "in-the-money" options and warrants assuming the proceeds are used to repurchase common shares at the average market price during the period, if dilutive. The effect of potential issuances of shares under options and warrants would be anti-dilutive if a loss is reported, and therefore basic and diluted losses per share are the same.

Recent accounting pronouncements

Recent accounting pronouncements issued which may impact us in the future are as follows:

Goodwill and Intangible Assets

CICA Handbook Section 3064, "Goodwill and Intangible Assets", replaces Section 3062, "Goodwill and Other Intangible Assets," and CICA Section 3450, "Research and Development Costs," and EIC-27, "Revenues and expenditures during the pre-operating period". The Standard reinforces the principle-based approach to the recognition of assets only in accordance with the definition of an asset and the criteria for asset recognition; and clarifies the application of the concept of matching revenues and expenses such that the current practice of recognizing assets that may not meet the definition and recognition criteria are eliminated. This new standard also provides guidance for the treatment of pre-production and start-up costs and requires that these costs and related revenues be reflected in earnings. The changes are effective for interim and annual financial statements beginning January 1, 2009. We have not yet determined the impact of the adoption of this change on the disclosure in our financial statements.

International Financial Reporting Standards

We have been monitoring the deliberations and progress being made by accounting standard setting bodies and securities regulators in Canada and United States with respect to their plans regarding convergence to International Financial Reporting Standards ("IFRS"):

- In February 2008, the Canadian Accounting Standards Board confirmed that publicly listed companies will be required to adopt IFRS for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Early adoption may be permitted, however, exemptive relief requires approval of the Canadian Securities Administrators.

Silver Standard Resources Inc.

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Notes to Consolidated Financial Statements

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2 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

- In August 2008, the Securities and Exchange Commission of the United States announced that it would seek public comments on a proposed roadmap for the potential mandatory adoption of IFRS beginning in 2014 for large accelerated filers, accelerated filers in 2015 and then remaining public companies in 2016.

In preparation for the changeover from GAAP to IFRS, we commenced the planning process during the second quarter of 2008. Specific initiatives are underway and others have been planned for the transitioning from GAAP to IFRS. Current status of the project is as follows:

Resources

- We have retained the service of a major public accounting firm to provide technical and process management assistance for the project.
- We will continue to invest in training and resources to ensure a timely and effective conversion.

Process

- A diagnostic assessment of the key impact areas was completed.
- A detailed assessment of accounting and measurement differences between IFRS and Canadian GAAP on current accounting policies, as well as new policies anticipated to be implemented as we transition to a producer, is currently underway.
- Initial findings and observations from the work completed to date will serve as an input in establishing the key parameters to develop solutions during the design phase of the project.
- An initial assessment of exemptions available under IFRS 1, "First-time Adoption of IFRSs", has been completed.
- A high-level impact assessment of IFRS conversion on our IT systems and tax processes is underway.
- Our audit committee is monitoring our progress and is kept informed of issues identified.
- Our external auditor is advised of the progress status and issues identified.

We anticipate that there will be changes in accounting policies and these changes may materially impact our financial statements.

3 CHANGES IN ACCOUNTING POLICIES

a) Financial Instruments - Disclosures

Effective January 1, 2008, we adopted CICA Handbook Section 3862, "Financial Instruments – Disclosures" and CICA Handbook Section 3863, "Financial Instruments – Presentation". Section 3862 requires the disclosure of quantitative and qualitative information in our financial statements to evaluate (a) the significance of financial instruments for our financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which we are exposed during the period and at the balance sheet date. Management's objectives, policies and procedures for managing such risks are disclosed in note 5(d). Section 3863 replaces the existing requirements on presentation of financial instruments.

Silver Standard Resources Inc.

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Notes to Consolidated Financial Statements

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(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

3 CHANGES IN ACCOUNTING POLICIES (Cont'd)

b) Capital Disclosure

Effective January 1, 2008, we adopted CICA Handbook Section 1535, "Capital Disclosures", which requires the disclosure of information on our objectives, policies, and processes for managing capital. This information is disclosed in note 13.

c) Going Concern

Effective January 1, 2008, we adopted an amendment to CICA Handbook Section 1400, "General Standards of Financial Statement Presentation" in relation to going concern. The amendment requires management to assess an entity's ability to continue as a going concern. When management is aware of material uncertainties related to events or conditions that may cast doubt on an entity's ability to continue as a going concern, those uncertainties must be disclosed. In assessing the appropriateness of the going concern assumption, the standard requires management to consider all available information about the future, which is at least, but not limited to, twelve months from the balance sheet date.

d) Inventories

Effective January 1, 2008, we adopted CICA Handbook Section 3031, "Inventories", which prescribes the accounting treatment for inventories and provides guidance on the determination of costs and its subsequent recognition as an expense, including any write-down to net realizable value. It also provides guidance on the cost formulas that are used to assign costs to inventories. As at December 31, 2008, we have no inventories and this standard has no effect on our financial statements.

e) Income Statement Presentation of Tax Loss Carryforward

Effective September 30, 2008, we adopted EIC-172, "Income Statement Presentation of a Tax Loss Carryforward Recognized Following an Unrealized Gain in Other Comprehensive Income". This abstract provides guidance on whether the tax benefit from the recognition of previously unrecognized tax loss carryforwards consequent to the recording of unrealized gains in other comprehensive income, such as unrealized gains on available-for-sale financial assets, should be recognized in net income or in other comprehensive income. The abstract should be applied retrospectively, with restatement of prior periods from January 1, 2007, the date of adoption of CICA Handbook Section 3855, "Financial Instruments – Recognition and Measurement".

The adoption of EIC-172 resulted in a reclassification of \$5,084,000 of future income tax recovery from opening accumulated other comprehensive income to opening accumulated deficit effective January 1, 2007, \$1,098,000 of future income tax expense from other comprehensive loss to net loss for the year ended December 31, 2007 and \$3,416,000 of future income tax expense from other comprehensive loss to net loss in the current year.

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

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4 SILVER BULLION

In March 2008, we sold our silver bullion for cash proceeds of \$39,244,000 (US\$39,648,000). As at December 31, 2007, the silver bullion was recorded on our balance sheet at a cost of \$15,787,000. The sale results in a gain of \$23,457,000. No tax expense was recorded as we have sufficient tax pools to offset the taxable gain on the sale.

5 FINANCIAL INSTRUMENTS

As at December 31, 2008, the carrying and fair value of financial instruments by category are as follow:

	2008					
	Held for trading	Loans & receivables	Available for sale	Other financial liabilities	Carrying value	Fair value
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<u>Financial assets</u>						
Cash and cash equivalents	88,187	-	-	-	88,187	88,187
Marketable securities (note 5a)	-	-	13,376	-	13,376	13,376
Accounts receivable	-	3,394	-	-	3,394	3,394
Restricted cash (note 10)	-	-	2,196	-	2,196	2,196
Other investments (note 6)	-	-	26,700	-	26,700	26,700
Convertible debenture (note 5c) ⁽¹⁾	61	7,254	-	-	7,315	7,050
	88,248	10,648	42,272	-	141,168	140,903
<u>Financial liabilities</u>						
Accounts payable and and accrued liabilities	-	-	-	38,347	38,347	38,347
Convertible notes (note 9) ⁽²⁾	-	-	-	129,945	129,945	111,672
	-	-	-	168,292	168,292	150,019

(1) The fair value of convertible debenture is estimated using the discounted cash flow method at market rate on the balance sheet date.

(2) The fair value of convertible notes is estimated using average market quoted price provided by market makers in over-the-counter market on the balance sheet date.

As at December 31, 2007, the fair value of all financial instruments approximated their carrying value.

(a) Marketable Securities

Pursuant to adoption of CICA Handbook Sections 3855 and EIC-172, we recorded an unrealized gain of \$29,800,000 on marketable securities held by us at January 1, 2007. Of this amount, \$5,084,000 was recorded in opening retained earnings, representing the tax benefit on recognition of previously unrecognized tax loss carryforwards. The remaining balance of \$24,716,000 was adjusted to opening balance of accumulated other comprehensive income.

Silver Standard Resources Inc.

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Notes to Consolidated Financial Statements

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(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

5 FINANCIAL INSTRUMENTS (Cont'd)

At December 31, 2008 and 2007, we held shares and share purchase warrants as follows:

	December 31, 2008			December 31, 2007		
	Fair Value	Cost	Accumulated Unrealized Gains (losses)	Fair Value	Cost	Accumulated Unrealized Gains (losses)
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<u>Available-For-Sale Shares</u>						
Esperanza Silver Corporation	3,876	4,823	(947)	10,012	4,823	5,189
Aurcana Corporation	1,800	1,800	-	-	-	-
Minco Silver Corporation	4,996	2,270	2,726	13,694	2,966	10,728
Silvermex Resources Ltd.	350	300	50	3,250	300	2,950
Canplats Resources Corporation	915	50	865	1,760	50	1,710
Geologix Explorations Inc.	230	230	-	2,220	900	1,320
Other investments	1,209	560	649	2,246	780	1,466
	13,376	10,033	3,343	33,182	9,819	23,363
<u>Held-For-Trading Warrants</u>						
Esperanza Silver Corporation	-	416	(416)	27	416	(389)
Total Marketable Securities	13,376	10,449	2,927	33,209	10,235	22,974

For the year ended December 31, 2008, we recognized an unrealized loss of \$20,021,000 (2007 - \$6,437,000) on marketable securities designated as available-for-sale which was recorded in other comprehensive loss. This unrealized loss resulted in future income tax expense of \$3,416,000 (2007 - \$1,098,000), representing the reversal of the tax benefit arising on recognition of previously unrecognized loss carryforwards, with a corresponding impact on other comprehensive loss. During the year, we also recorded a write-down of \$5,990,000 for marketable securities with decline in fair values that were assessed as other-than-temporary.

Unrealized loss on marketable securities designated as held-for-trading was \$27,000 (2007 - \$389,000) during the year.

In July 2008, as part of considerations received for sale of the Shafter Silver Project (See note 8(xvii)), we received 15 million common shares of Aurcana Corporation ("Aurcana"). As at the date of the transaction, the Aurcana common shares had a fair value of \$6,900,000.

(b) Foreign exchange derivatives

At December 31, 2007, we held various USD foreign exchange option agreements with a negative fair value of \$1,412,000. All of these foreign exchange contracts have been closed during the first quarter of 2008 and we have no outstanding foreign exchange option agreements at December 31, 2008.

(c) Convertible debenture receivable

As part of considerations received for sale of the Shafter Silver Project (See note 8(xvii)), we received a \$10 million convertible debenture ("Debenture") from Aurcana Corporation ("Aurcana"). The Debenture has a three-year term, a coupon rate of 3% and is convertible into 6,600,000 Aurcana common shares at \$1.515 per share. The Debenture is fully secured by general assets of Aurcana.

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5 FINANCIAL INSTRUMENTS (Cont'd)

The note receivable component of the Debenture is designated as loans and receivable. At initial recognition, the fair value of the note receivable component was estimated at \$6,868,000 using the discounted cash flow model method at market rate. The note receivable component is accreted over an expected life of 3 years using the effective interest method. As at December 31, 2008, the book value of the note receivable component of the Debenture was \$7,254,000. Interest and accretion income of \$526,000 was recorded to earnings in relation to the Debenture.

The conversion feature of the Aurcana Debenture is considered a derivative. The fair value of conversion feature was estimated, at initial recognition, to be \$1,442,000 and is re-valued at each period end based on the Black-Scholes valuation model. As at December 31, 2008, the fair value of the conversion feature was \$61,000. As a result, an unrealized loss of \$1,381,000 on financial instruments held-for-trading was recorded to net earnings during the period.

(d) Financial Risk Management

Our activities expose us to a variety of financial risks, including foreign exchange risk, interest rate risk, commodity price risk, credit risk and liquidity risk. From time to time, we may use foreign exchange contracts, commodity price contracts and interest rate swaps to manage exposure to fluctuations in foreign exchange, metal prices and interest rates. We do not have a practice of trading derivatives. In the past, our use of derivatives was limited to specific programs to manage fluctuations in foreign exchange risk, which are subject to the oversight of the Board of Directors.

Foreign Exchange Risk

We operate projects in seven different countries and therefore, foreign exchange risk exposures arise from transactions denominated in foreign currencies. Our foreign exchange risk arises primarily with respect to the US dollar and Argentine Peso. As at December 31, 2008, our exposure of US dollar is as follows:

	December 31 2008 US\$	December 31 2007 US\$
Cash and cash equivalents	53,659	10,769
Restricted cash	1,637	1,637
Accounts payable and accrued liabilities	(8,387)	(3,028)
Convertible notes (Face value of US\$138million)	(106,129)	-
	(59,220)	9,378

As at December 31, 2008, with other variables unchanged, a \$0.01 strengthening (weakening) of the US dollar against the Canadian dollar would decrease (increase) our net earnings by \$59,000.

As at December 31, 2008, our exposure to Argentine Peso was ARS\$1,800,000, which includes ARS\$103,364,000 in value added tax recoverable, net of ARS\$101,563,000 in accounts payable and accrued liabilities. With other variables unchanged, a ARS\$0.01 strengthening (weakening) of Argentine Peso against the Canadian dollar would increase (decrease) our net earnings by \$6,000.

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5 FINANCIAL INSTRUMENTS (Cont'd)

Interest Rate Risk

Our interest rate risk mainly arises from the interest rate impact on our cash and cash equivalents. Cash and cash equivalents receive interest based on market interest rates. Our long-term note receivable and long-term debt have fixed interest rates and are not exposed to interest rate risk.

As at December 31, 2008, the weighted average interest rate of our cash equivalents investment was 0.55%. With other variables unchanged, a 1% increase (decrease) in the interest rate would increase (decrease) our net earnings by \$1,688,000.

Commodity Price Risk

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

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

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

Credit Risk

Credit risk arises from the non-performance by counterparties of contractual financial obligations. Our credit risk arises primarily with respect to our money market investments, convertible debenture receivable and investment in asset-backed commercial papers.

We manage our credit risk on market money investments by investing only in obligations of any Province of Canada, Canada or the United States of America or their respective agencies, obligations of enterprises sponsored by any of the above governments; bankers' acceptances purchased in the secondary market and having received the highest credit rating from a recognized rating agency in Canada or the United States, with a term of less than 90 days; and bank term deposits and bearer deposit notes, with a term of less than 90 days.

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5 FINANCIAL INSTRUMENTS (Cont'd)

Our maximum exposure to credit risk at the reporting date is the carrying value of cash and cash equivalents, other receivables, convertible debenture receivable (see note 5c) and other investments (see note 6). At December 31, 2008, there were no significant concentrations of credit risk and no amounts were held as collateral.

Liquidity Risk

Liquidity risk represents our ability to fund future operating activities and investments. We manage liquidity risk by maintaining adequate cash and cash equivalent balances to meet short-term business requirements. If necessary, we may raise funds through the issuance of debt, equity, or monetization of non core assets. For example, in February 2008, we completed a US\$138 million, 4.5% convertible debenture due in 2028. In July 2008, we closed the sale of our Shafter Silver Project for total considerations of \$38.2 million. Subsequent to year end, we raised \$115.9 million (US\$92.6 million) through public offering of common shares (see note 19).

We ensure that there is sufficient capital to meet our long-term obligations by continuously monitoring and reviewing actual and forecasted cash flows, and match the maturity profile of financial assets to development, capital and operating needs. We believe our sources will be sufficient to cover our short-term and long-term cash requirements.

See "Note 17 – Commitments" for contractual undiscounted cash flow requirements for financial liabilities as at December 31, 2008.

6 OTHER INVESTMENTS

As at December 31, 2008, we had a total of \$57,102,000 invested in Canadian asset-backed commercial paper ("ABCP"). At the dates at which we acquired the investments, the non-bank sponsored ABCP was rated R-1 high by DBRS Limited ("DBRS"), the highest credit rating for commercial paper. In August 2007, the ABCP market experienced liquidity problems and was subsequently frozen. In September 2007, a Pan Canadian Committee (the "Committee") consisting of a panel of major ABCP investors was formed to restructure the affected ABCP trusts.

At December 31, 2007, based on the limited data available, we estimated the fair values of our ABCP investments to be \$45,102,000 using a valuation technique which incorporates a probability weighted approach applied to discounted future cash flows and an impairment of \$12,000,000 was recorded in 2007.

On December 24, 2008, the Committee confirmed that an agreement has been reached with all key stakeholders, including the involvement of provincial and federal governments. In January 2009, the Committee successfully obtained the final court approval to complete the restructuring. On January 28, 2009, we received the restructured notes with a face value of \$57,142,000 and first interest payment of \$2,031,000.

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6 OTHER INVESTMENTS (Cont'd)

The restructured notes are allocated as follow:

- o \$37,004,000 in Class A-1 Notes
 - Senior notes, with the other series of notes subordinated to them
 - Expected to have an A rating with maturities ranging from 6 to 8 years
 - Expected to have a coupon rate of Bankers' Acceptances ("BA") Rate less 0.5%.
- o \$13,089,000 in Class A-2 Notes
 - Senior to the Class B Notes
 - Expected to have an A rating with a maturity of 8 years
 - Expected to have a coupon rate of BA Rate less 0.5%.
- o \$2,376,000 in Class B Notes
 - Senior to the Class C Notes
 - Expected to be unrated with a maturity of 8 years
 - Expected to have a coupon rate of BA Rate less 0.5%.
- o \$1,623,000 in Class C Notes
 - Senior to the Ineligible Assets ("IA") Tracking Notes
 - Expected to be unrated with a maturity of 8 years
 - Expected to have a coupon rate of BA plus 20.0%.
- o \$3,050,000 in IA Tracking Notes
 - Expected to be unrated with a maturity of 8 years
 - Expected to have a coupon rate equivalent to the net rate of return generated by the specific underlying assets

As no secondary market has been developed for these restructured notes as at December 31, 2008, we estimated the fair value of our restructured notes using a valuation technique which incorporates a probability weighted approach applied to discounted future cash flows from the restructured notes and the fair value of our investments based on the indicative values contained in a report issued by J.P. Morgan, financial advisor to the Committee. Based on our best estimate, the fair value of our restructured notes at December 31, 2008 was \$26,700,000, resulting in an impairment of \$18,402,000 recorded in 2008. There is currently no certainty regarding the development of a secondary market for the restructured notes and therefore the fair value reported may change materially in subsequent periods. In July 2008, we initiated legal action against a Canadian chartered bank and DBRS by filing a writ and statement of claim in the Supreme Court of British Columbia to recover any losses that may occur with respect to the ultimate recovery of our ABCP investments. There can be no assurance that the outcome of this litigation will be favourable to us.

7 VALUE ADDED TAX RECOVERABLE

We have recorded the value added tax ("VAT") paid in Argentina and related to the Pirquitas property as a recoverable asset. Argentinean law states that VAT paid is recoverable once the company reaches the production stage. In October 2006, we made a production decision on this property and any VAT paid in Argentina related to Pirquitas is expected to be recoverable through production from the proven and probable reserves from this property. The amount recoverable at December 31, 2008 is estimated to be \$37,145,000 (2007 - \$9,527,000).

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7 VALUE ADDED TAX RECOVERABLE (Cont'd)

In countries where we have paid VAT and where there is uncertainty of the recoverability, the VAT payments have either been deferred within mineral property costs or expensed if it relates to mineral exploration. If we ultimately recover amounts that have been deferred, the amount received will be applied to reduce mineral property costs.

8 MINERAL PROPERTY COSTS AND PROPERTY, PLANT AND EQUIPMENT

	December 31, 2008			December 31, 2007		
	Cost \$	Accum. Amort. \$	Net Book Value \$	Cost \$	Accum. Amort. \$	Net Book Value \$
Mineral property costs	199,453	-	199,453	158,802	-	158,802
Development property costs	95,671	-	95,671	85,879	-	85,879
Construction in progress	196,686	-	196,686	33,625	-	33,625
Mining equipment and machinery	22,935	(1,064)	21,871	22,870	(413)	22,457
Other	3,465	(1,356)	2,109	2,743	(918)	1,825
	518,210	(2,420)	515,790	303,919	(1,331)	302,588

During the year, the Company recorded \$1,089,000 (2007 – \$779,000; 2006 - \$126,000) of depreciation on property, plant, and equipment, of which \$305,000 (2007 – \$318,000; 2006 - \$142,000) was charged to the Consolidated Statements of Earnings (Loss) and Comprehensive Loss and \$784,000 (2007 - \$461,000; 2006 - (\$16,000)) deferred as mineral property costs.

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8 MINERAL PROPERTY COSTS AND PROPERTY, PLANT AND EQUIPMENT (Cont'd)

At December 31, mineral property costs are as follows:

	Acquisition costs \$	Exploration and development costs \$	Future tax effects \$	Total December 31 2008 \$	Total December 31 2007 \$
Exploration Projects					
Argentina					
Diablillos	5,530	12,599	-	18,129	12,085
Other	23	208	-	231	205
Australia					
Bowdens	10,900	8,845	3,319	23,064	22,851
Other	2	247	-	249	246
Canada					
Silvertip	1,818	315	-	2,133	2,089
Snowfield	125	9,328	-	9,453	4,489
Sulphurets	2,393	1,255	-	3,648	3,648
Sunrise Lake	1,234	71	-	1,305	1,301
Chile					
Challacollo	2,953	5,233	419	8,605	8,357
Other	50	274	-	324	282
Mexico					
Pitarrilla	13,447	54,467	1,878	69,792	51,128
San Marcial	1,250	789	50	2,089	2,019
Veta Colorada	4,517	967	257	5,741	4,911
Other	1,011	1,762	-	2,773	2,464
Peru					
Berenguela	12,936	3,356	6,993	23,285	21,947
San Luis	434	17,177	699	18,310	11,453
Other	25	173	-	198	-
United States					
Candelaria	2,981	3,684	404	7,069	6,634
Maverick Springs	692	2,307	56	3,055	2,693
	62,321	123,057	14,075	199,453	158,802
Development Project					
Argentina					
Pirquitas	56,308	26,087	13,276	95,671	85,879
	118,629	149,144	27,351	295,124	244,681

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8 MINERAL PROPERTY COSTS AND PROPERTY, PLANT AND EQUIPMENT (Cont'd)

i) Diablillos, Argentina

We own a 100% interest in the mineral rights for the Diablillos silver-gold project located in the province of Salta in north-western Argentina.

ii) Manantial Espejo, Argentina

We sold our 50% interest in the Manantial Espejo property located in Santa Cruz province in southern Argentina in 2006 for a gain of \$35,390,000.

iii) Pirquitas, Argentina

We own a 100% interest in the surface and mineral rights for the Pirquitas silver property in the province of Jujuy in northern Argentina. In October 2006, a production decision was made on this property. We incurred \$166,288,000 on the property during the year, which includes \$7,750,000 in exploration activities and \$158,538,000 in mine construction and mining equipment.

iv) Bowdens, Australia

We own a 100% interest in the Bowdens project in New South Wales, Australia. There is a commitment to pay the original vendor of the property AUS\$1,500,000 on the commencement of production, and grant a 2% net smelter return royalty up to US\$5,000,000 and 1% thereafter. These obligations are collateralized by certain properties in the Bowdens project.

v) Silvertip, Canada

We own a 100% interest in the Silvertip project located in northern British Columbia, Canada. There is a 5% net profits royalty on certain of the non-core claims on the property.

vi) Snowfield, Canada

We own a 100% interest in the Snowfield project located in British Columbia, Canada. The project is contiguous with the silver-gold Sulphurets project. In 2008, we received \$384,000 of the previously accrued British Columbia Mining Exploration Tax Credit ("BCMETC"). An additional \$1,080,000 of BCMETC was accrued and offset against exploration expenditures incurred during the year.

vii) Sulphurets, Canada

We own a 100% interest in the Sulphurets project located in British Columbia, Canada. There is a 1.2% net smelter returns royalty on production in excess of current resources of silver and gold already contained in the property.

viii) Sunrise Lake, Canada

We own a 100% interest in the Sunrise Lake deposit in Canada's Northwest Territories. The property is subject to a 5% net profits royalty interest.

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8 MINERAL PROPERTY COSTS AND PROPERTY, PLANT AND EQUIPMENT (Cont'd)

ix) Challacollo, Chile

We own 100% of the Challacollo silver project in northern Chile, which is subject to (i) a 2% production royalty capped at US\$850,000 and; (ii) a 2% production royalty increasing to 3% once the production royalty in (i) is fully paid. The 3% production royalty can be acquired at any time for a total of US\$1,500,000.

x) Pitarrilla, Mexico

We own a 100% interest in the Pitarrilla property located in the State of Durango, Mexico. The property is subject to a finder's fee of the greater of (a) US\$5,000 and (b) 2% of direct exploration, payable every six months. There is also a 0.25% net smelter returns royalty applicable to all gold and silver produced from the property. The maximum amount payable under the finder's fee and net smelter royalty is US\$500,000.

xi) San Marcial, Mexico

We own a 100% interest in the San Marcial silver property in Sinola State, Mexico. The property is subject to a US\$100,000 payment upon commencement of commercial production and a 3% net smelter returns royalty, provided that each 1% of the royalty can be acquired for US\$600,000.

xii) Veta Colorada, Mexico

In November 2005, we announced agreements to acquire a 100% interest in the Veta Colorada silver property located in the State of Chihuahua, Mexico. Under the agreements, we will pay the vendors a total of US\$3,500,000, subject to a due diligence review. To December 31, 2005, we paid US\$170,000 in non-refundable payments to the vendors and in 2006 we completed the acquisition with a cash payment of \$3,300,000 plus US\$495,000 of IVA, which is refundable. The property is subject to a 1% net smelter returns royalty.

xiii) Berenguela, Peru

In early 2006, we completed the acquisition of a 100% interest in the Berenguela property located in the province of Lampa in southern Peru. The consideration paid was US\$2,000,000 in cash (of which US\$600,000 was paid in 2005), 530,504 of our common shares with a fair value of \$9,814,000 (US\$8,000,000) and the grant of a 2% net smelter returns royalty on copper produced from the property to a maximum of US\$3,000,000.

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8 MINERAL PROPERTY COSTS AND PROPERTY, PLANT AND EQUIPMENT (Cont'd)

xiv) San Luis, Peru

In August 2005, we acquired the San Luis property concessions located in the Ancash region of central Peru jointly with Esperanza Silver Corporation ("Esperanza"), with each party obtaining a 50% interest therein. In September 2005, we entered into a joint venture agreement with Esperanza for the exploration of the San Luis property. The property was held by a wholly-owned subsidiary of Esperanza, Reliant Ventures S.A.C. ("Reliant"). Under the terms of the agreement, we currently hold a 55% interest in the property, having elected to increase our interest to 55% by funding the first US\$500,000 in exploration expenditures. We completed this initial funding in 2006. Under the terms of the agreement, in January 2007, we and Esperanza completed the next US\$1,500,000 of exploration expenditures in proportion to our respective interests. In March 2007, we elected to increase our interest to 70% by funding all costs to complete a feasibility study and we assumed operatorship of the joint venture. Our interest can be further increased to 80% by paying all costs to place the property into commercial production.

In April 2007, we commenced recording Reliant on a consolidated basis after the non-San Luis assets in Reliant were transferred to Esperanza. The following table summarizes the consolidated net assets related to Reliant and the San Luis project at that date:

	\$(000)
Cash	193
Receivables and other current assets	31
Mineral property interest	4,648
Current liabilities	(364)
Non-controlling interest	(608)
	<u>3,900</u>

xv) Candelaria, U.S.A.

We own a 100% interest in the Candelaria silver property in Nevada and have lodged environmental bonding in the amount of US\$1,637,000 (note 10) relating to this property.

xvi) Maverick Springs, U.S.A.

In June 2003, we signed an exploration and development agreement with Vista Gold Corp. ("Vista") in which we will have exposure to the silver resources hosted in the Maverick Springs gold-silver property in northern Nevada, U.S.A. We and Vista have entered into a joint venture agreement governing their respective rights and obligations in respect of the property. Subsequent to October 7, 2006, Newmont Mining Corporation ("Newmont") had a one time back-in right to acquire a 51% interest in the property. Newmont's back-in right expired unexercised in 2007.

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8 MINERAL PROPERTY COSTS AND PROPERTY, PLANT AND EQUIPMENT (Cont'd)

xvii) Shafter, U.S.A.

We owned a 100% interest in the Shafter silver mine located in Presidio County, Texas, U.S.A.

On July 17, 2008, we closed the sale of the Shafter Silver Project in Presidio County, Texas, to Aurcana Corporation ("Aurcana"). Under the terms of the agreement, Aurcana paid us total consideration of \$38,210,000 consisting of \$23,000,000 in cash, 15 million Aurcana common shares with a fair value of \$6,900,000 and a \$10,000,000 convertible debenture with a fair value of \$8,310,000 (see note 5(c)). After deducting transaction costs of \$520,000, sale of the Shafter Silver Project resulted in a gain on sale of mineral property of \$31,526,000 (after-tax gain of \$18,156,000).

9 CONVERTIBLE NOTES

In February 2008, we sold US\$138,000,000 (\$134,936,000) in senior convertible notes ("Notes") for net proceeds of \$129,806,000 after payment of commissions and expenses related to the offering. The unsecured Notes mature on March 1, 2028 and bear an interest rate of 4.5% per annum, payable semi-annually. The Notes will be convertible into our common shares at a fixed conversion rate, subject to certain anti-dilution adjustments, only in the following events:

- a. during specified consecutive trading periods, the market price of our common shares exceeds 130% of the conversion price of the Notes,
- b. the trading price of the Notes falls to 97% or less of the amount equal to the then prevailing price of our common shares, multiplied by the applicable conversion rate,
- c. the Notes are called for redemption,
- d. upon the occurrence of specified corporate transactions, or
- e. during specified periods in early 2013 and 2028.

On conversion, holders of the Notes will receive cash and, if applicable, common shares (or, at our election, in lieu of such common shares, cash or any combination of cash and common shares). In addition, if certain fundamental changes occur to us, holders of the Notes may be entitled to an increased conversion rate. The Notes will be convertible into our common shares at an initial conversion rate of 23.0792 common shares per US\$1,000 principal amount of Notes converted, representing an initial conversion price of approximately US\$43.33 per common share.

Holders of the Notes will have the right to require us to repurchase all or part of their Notes on March 1 of each of 2013, 2018 and 2023, and 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, but excluding, the repurchase date. Subject to specified conditions, we shall pay the purchase price in cash. On and after March 5, 2013, we may redeem all or part of the Notes for cash at a redemption price equal to 100% of the principal amount of the Notes being redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. All principal and interest payments will be denominated in US Dollars.

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9 CONVERTIBLE NOTE (Cont'd)

The face value of the Notes has been allocated as follows for accounting purposes:

Allocation of gross proceeds	USD\$	CAD\$
Gross proceeds	138,000	134,936
Fair value of debt component	(99,144)	(96,943)
Fair value of equity component	38,856	37,993
Convertible notes	USD\$	CAD\$
Opening balance	99,144	96,943
Accretion expense	4,902	5,344
Interest accrued	5,240	5,698
Interest paid	(3,157)	(3,323)
Foreign exchange loss on revaluation	-	25,283
Ending balance	106,129	129,945
Accrued interest on convertible notes	2,083	2,530
Long-term convertible notes	104,046	127,415
Total convertible notes	106,129	129,945

The fair value of the debt portion of the Notes at initial recognition was estimated using a discounted cash flow model method. The fair value of the equity component was estimated using the residual value method. The debt component of the Notes is accreted over an expected life of 5 years using the effective interest method. Total financing fees associated with the transaction were \$5,130,000, of which \$3,690,000 was charged to net income for the period and \$1,440,000 was charged to equity.

During 2008, accretion expense and interest expense related to the convertible notes were \$5,344,000 and \$5,698,000 respectively; \$4,039,000 of accretion expense and \$4,234,000 of interest expense were capitalized to construction in progress during the period resulting in \$1,305,000 of accretion and \$1,464,000 of interest expensed in the period.

Foreign exchange loss related to the convertible notes was \$25,283,000 due to the strengthening of the U.S. Dollar against the Canadian Dollar during the year.

10 ASSET RETIREMENT OBLIGATIONS

During the year ended December 31, 2008, we expensed \$352,000 (2007 - \$782,000) in on-going, non-legally required environmental and reclamation costs, accretion of asset retirement obligations and changes in the provision for asset retirement obligations.

At December 31, 2008, \$4,241,000 (2007 - \$3,856,000) was recorded by us as a provision for future asset retirement obligation expenses for our various mineral properties, of which \$287,000 (2007 - \$1,029,000) is considered current.

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10 ASSET RETIREMENT OBLIGATIONS (Cont'd)

Our asset retirement obligations relate to legal obligations associated with site restoration and clean-up costs of our various mineral properties. The properties that comprise the majority of the obligations are the Duthie and Silver Standard Mine properties located in British Columbia, Canada, Veta Colorada property located in Mexico, San Luis in Peru and Pirquitas property located in Argentina.

A reconciliation of the provision for asset retirement obligations is as follows:

	2008 \$	2007 \$
Balance, beginning of year	3,856	3,409
Liabilities settled during the year	(595)	(489)
Accretion expense	158	267
Revisions and new estimated cash flows	822	669
Balance, end of year	4,241	3,856
Balance sheet presentation		
Current portion	287	1,029
Long-term portion	3,954	2,827
Balance, end of year	4,241	3,856

The provision for asset retirement obligations is based on the following key assumptions:

- Present value of total asset retirement obligations is \$4,241,000 (2007 - \$3,856,000), reflecting payments for approximately the next 10 years
- Total undiscounted value of these payments is \$8,819,000 (2007 - \$5,344,000)
- Present value determined using a credit adjusted risk-free rate of 8% - 12%

At December 31, 2008, we have lodged \$2,196,000 (2007 - \$1,809,000) in security deposits with various government agencies in relation to our reclamation obligations. Of the amount lodged, \$191,000 (2007 - \$191,000) is in the form of cash deposits and \$2,005,000 (2007 - \$1,618,000) as security for a US\$1,637,000 bond for the Candelaria property.

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11 SHAREHOLDERS' EQUITY

(a) Capital Stock

At December 31, 2008, we had unlimited authorized common shares and 62,755,547 common shares issued and outstanding (2007 – 62,569,447).

Subsequent to year end, we closed a public offering of 5,450,000 common shares for aggregate gross proceeds of \$115,924,000 (see note 19).

(b) Stock Options

We have a comprehensive stock option plan for our employees, directors, officers and self-employed consultants. The plan provides for the issuance of incentive options to acquire up to a total of 10% of the issued and outstanding common shares of the company. The exercise price of each option shall not be less than the closing market price of the company's stock on the award date. The options can be granted for a maximum term of 10 years with vesting provisions determined by the company. Currently, the vesting periods range up to three years. New shares from treasury are issued on the exercise of stock options.

The changes in stock options issued are as follows:

	2008		2007		2006	
	Number of shares	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$	Number of shares	Weighted average exercise price \$
Options outstanding at January 1	4,419,350	27.77	4,455,950	22.68	2,613,200	12.85
Granted	810,000	15.47	985,000	37.54	2,551,500	29.30
Exercised	(186,100)	12.46	(886,600)	13.30	(668,750)	9.79
Expired / Forfeited	(27,000)	24.31	(135,000)	26.16	(40,000)	17.67
Options outstanding at December 31	<u>5,016,250</u>	26.37	<u>4,419,350</u>	27.77	<u>4,455,950</u>	22.68
Options exercisable at December 31	<u>2,962,250</u>	29.03	<u>2,310,350</u>	26.04	<u>2,253,200</u>	24.48

As of December 31, 2008, incentive stock options represent 8.0% (2007 – 7.1%) of issued and outstanding common capital. The aggregate intrinsic value of vested share options (the market value less the exercise value) at December 31, 2008 was \$3,155,000 (2007 - \$23,132,000).

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11 SHAREHOLDERS' EQUITY (Cont'd)

The following table summarizes information about stock options outstanding and exercisable at December 31, 2008:

Exercise price \$	Options outstanding	Options exercisable	Expiry date	Weighted average remaining contractual life (years)
10.50 – 18.73	1,599,750	969,750	Oct 2009 – Dec 2018	1.7
21.30 – 29.02	1,081,500	165,000	Jul 2011 – Aug 2013	3.8
32.08 – 40.62	2,335,000	1,827,500	Dec 2011 – Mar 2013	3.2
26.37	5,016,250	2,962,250		3.7

During the year ended December 31, 2008, 810,000 (2007 – 985,000) options were granted to employees, directors and consultants at a weighted average strike price of \$15.47 (2007 - \$37.54) and average fair value of \$8.59 (2007 - \$11.61) per option based on the Black-Scholes option pricing model. We amortize the fair value of stock options on a graded basis over the respective vesting period of the stock options. At December 31, 2008, the non-vested stock option expense not yet recognized was \$9,372,000 (2007 - \$13,412,000) and this expense is expected to be recognized over the next 3 years.

The allocation of fair value of options was as follow:

	2008 \$	2007 \$	2006 \$
Consolidated Balance Sheets			
Mineral property costs	70	524	751
Consolidated Statements of Earnings (Loss), and Comprehensive Loss			
Stock based compensation - Employee salaries and benefits	8,081	12,195	9,954
Stock based compensation - General and administration	2,120	2,804	2,981
	10,201	14,999	12,935
Total stock based compensation	10,271	15,523	13,686

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11 SHAREHOLDERS' EQUITY (Cont'd)

The fair value of stock options for all options issued, re-priced or extended was estimated at the grant date based on the Black-Scholes option pricing model, using the following weighted average assumptions:

	2008	2007	2006
Expected dividend yield (%)	Nil	Nil	Nil
Average risk-free interest rate (%)	3.1	4.2	4.0
Expected life (years)	5.8	3.0	3.3
Expected volatility (%)	56	42	47

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.

(c) Convertible Senior Notes due 2028

In February 2008, we sold US\$138 million in senior convertible notes ("Notes"). The Notes will be convertible into Silver Standard common shares at a fixed conversion rate of US\$43.33 per common share upon specified events. On conversion, holders of the Convertible Notes will receive cash and, if applicable, common shares (or, at our election, in lieu of such common shares, cash or any combination of cash and common shares). The convertible notes mature on March 1, 2028.

(d) Deferred Share Units

Effective June 2008, we established a Deferred share unit ("DSUs") plan for non-executive Directors. DSUs are issued at the market value of our common shares at the date of grant, in addition, directors may elect to receive a portion of their annual compensation in the form of DSUs which are issued at the market value of our common shares on a quarterly basis. The DSUs vest immediately and are redeemable in cash on the date the director ceases to be a director of the Company. For the year ended December 31, 2008, a total of 23,000 DSUs were granted with fair value of \$525,000. As a result of the decline in our share price during the year, a reversal of \$78,000 in fair value was recorded to general and administration expense. As at December 31, 2008, 23,000 DSUs were outstanding with a fair value of \$447,000 recorded in accrued liabilities. No DSUs were exercised in 2008.

(e) Diluted Earnings (Loss) Per Share

The shares issuable pursuant to the terms of the convertible debenture have not been included in the calculation of diluted earnings (loss) per share as the impact would be anti-dilutive.

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12 RELATED PARTY TRANSACTIONS

During the year ended December 31, 2008, we recorded administrative, technical services and expense reimbursements of \$1,333,000 (2007 - \$426,000; 2006 - \$363,000) from companies related by common directors or officers. At December 31, 2008, accounts receivable include \$52,000 (2007 - \$111,000) from these related parties. Any amounts due from related parties are non-interest bearing and without specific terms of repayment. Any transactions for expense reimbursement with related parties are at normal business terms.

13 CAPITAL RISK MANAGEMENT

Our objectives when managing capital are:

- to safeguard our ability to continue as a going concern in order to pursue the development of our mineral properties
- to provide an adequate return to shareholders
- to maintain a flexible capital structure which optimizes the cost of capital
- to meet our long term debt obligations

In order to facilitate the management of our capital requirements, we prepare annual expenditure budgets and continuously monitor and review actual and forecasted cash flow. The annual and updated budgets are approved by the Board of Directors.

To maintain the capital structure, we may, from time to time, attempt to issue new shares, issue new debt or dispose of non-core assets. We expect our current capital resources will be sufficient to carry our exploration and development plans and operations through the current operating period.

14 INCOME TAXES

- i) The income taxes shown on the Consolidated Statements of Earnings (Loss) and Deficit differ from the amounts obtained by applying statutory rates due to the following:

	2008	2007	2006
Statutory tax rate	31.0%	34.1%	34.1%
	\$	\$	\$
Earnings (loss) for the year before taxes	8,397	(34,125)	16,382
Provision for income taxes based on statutory rates	2,603	(11,643)	5,590
Differences in foreign tax rates	2,593	14	(10)
Tax benefits not recognized and other	13,690	12,727	(5,580)
	18,886	1,098	-

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14 INCOME TAXES (Cont'd)

- ii) Future income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our future tax assets and liabilities as of December 31 are as follows:

	2008 \$	2007 \$
Future tax assets		
Property, plant and equipment and resource properties	108,775	42,529
Capital and non-capital loss carry-forwards	27,681	22,159
Foreign resource pools	16,445	11,828
Share issuance costs	2,273	2,204
Marketable securities	1,121	-
Other investments	3,952	1,620
Other	-	2,193
Total future tax assets	160,247	82,533
Future tax liabilities		
Resource properties	(155,640)	(79,655)
Marketable securities	-	(2,594)
Other	(2,531)	-
Total future tax liabilities	(158,171)	(82,249)
Valuation allowance for future tax assets (i)	(29,427)	(25,537)
Future income tax liability	(27,351)	(25,253)

- (i) Future tax assets have been recognized to the extent the future taxable amounts related to taxable temporary differences for which a future tax liability is recognized can be offset. We believe it is more likely than not that we will realize the benefits of these deductible differences, net of the existing valuation allowance at December 31, 2008.

- iii) At December 31, the company has the following estimated operating losses:

	2008 \$	2007 \$
Argentina	14,900	9,800
Australia	9,600	9,500
Canada	11,200	10,200
Chile	115	110
Mexico	48,600	32,400
Peru	1,300	400
U.S.A.	7,700	8,800

The operating losses expire between 2009 to 2028, with the exception of those for Chile and Australia which are available indefinitely to reduce future taxable income.

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15 SUPPLEMENTARY CASH FLOW INFORMATION

During the years ended December 31, 2008, 2007 and 2006, we conducted non-cash financing and investing activities as set out below. Non-cash operating activities are not presented.

Non-cash working capital activities were:

	2008	2007	2006
	\$	\$	\$
Accounts receivable	(490)	874	(2,590)
Prepaid expenses and deposits	(902)	177	(134)
Accounts payable and current portion of ARO	369	(1,270)	882
Accrued liabilities	1,229	(36)	427
Accrued interest on convertible debt	2,530	-	-
Current portion of taxes payable	12,100	-	-
	14,836	(255)	(1,415)

Non-cash investing activities were:

	2008	2007	2006
	\$	\$	\$
Non-cash investing activities			
Shares acquired for sale of mineral property	-	900	250
Shares issued for mineral properties	-	(358)	(9,814)

During the year ended December 31, 2008, we paid a total of \$3,323,000 (2007 - \$nil; 2006 - \$nil) in interest expense. No income tax was paid in 2008, 2007 or 2006.

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16 SEGMENTED FINANCIAL INFORMATION

We have one operating segment, which is the exploration and development of mineral properties. Mineral property expenditures by property are detailed in note 8. Substantially all of our earnings or losses for the years ended December 31, 2008, 2007 and 2006 were incurred in Canada. Segmented assets by geographic location are as follows:

	December 31, 2008							
	Argentina	Australia	Canada	Chile	Mexico	Peru	United States	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Mineral property costs and property, plant and equipment	332,588	23,312	17,795	8,930	80,702	42,340	10,123	515,790
Total assets	371,397	23,427	153,528	8,932	83,733	44,267	10,174	695,458

	December 31, 2007							
	Argentina	Australia	Canada	Chile	Mexico	Peru	United States	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Mineral property costs and property, plant and equipment	154,254	23,097	12,867	8,639	60,661	33,744	9,326	302,588
Total assets	170,565	23,240	181,707	8,763	64,157	34,208	16,204	498,844

17 COMMITMENTS

As at December 31, 2008, we have committed to payments under contractual obligations as follows:

	Less than 1 year	1-3 years	4-5 years	5+ years	Total
	\$	\$	\$		\$
Lease obligations	301	606	412	-	1,319
Asset retirement obligations	287	1,648	1,204	2,629	5,768
Long-term convertible notes*	7,605	15,210	180,402	-	203,217
	8,193	17,464	182,018	2,629	210,304

* Convertible notes are due in 2028 but expected to be repaid in 2013. The notes bear an interest rate of 4.5% per annum and are convertible into common shares at a fixed conversion rate upon specified events.

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP)

Consolidated summarized balance sheets:

	2008			2007		
	Canadian GAAP \$	Adjustments \$	U.S. GAAP \$	Canadian GAAP \$	Adjustments \$	U.S. GAAP \$
Assets						
Current assets	106,312	-	106,312	132,981	-	132,981
Other investments	26,700	-	26,700	45,102	-	45,102
Convertible debenture	7,315	-	7,315	-	-	-
Value added tax recoverable	37,145	-	37,145	9,527	-	9,527
Mineral property costs (a)i	295,124	(276,028)	19,096	251,518	(240,786)	10,732
Other property, plant and equipment (a)vi	220,666	(3,445)	217,221	57,907	-	57,907
Other assets	2,196	-	2,196	1,809	-	1,809
	695,458	(279,473)	415,985	498,844	(240,786)	258,058
Liabilities						
Current liabilities	55,510	-	55,510	15,713	-	15,713
Long-term convertibles note (a)vi	127,415	36,034	163,449	-	-	-
Other liabilities (a)i	35,432	(27,351)	8,081	28,080	(25,253)	2,827
	218,357	8,683	227,040	43,793	(25,253)	18,540
Non-controlling interest	608	-	608	608	-	608
Shareholders' Equity						
Share capital (a)iii	463,125	(1,198)	461,927	459,888	(1,198)	458,690
Value assigned to: Long-term convertible notes (a)vi	36,553	(36,553)	-	-	-	-
Stock options (a)v	41,164	(5,459)	35,705	31,810	(5,459)	26,351
Contributed surplus	649	-	649	649	-	649
Accumulated other comprehensive income (a)ii	2,772	570	3,342	19,377	3,986	23,363
Deficit (a)i, (a)ii, (a)iii, (a)vi	(67,770)	(245,516)	(313,286)	(57,281)	(212,862)	(270,143)
	476,493	(288,156)	188,337	454,443	(215,533)	238,910
	695,458	(279,473)	415,985	498,844	(240,786)	258,058

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

Consolidated summarized statements of loss:

	2008 \$	2007 \$	2006 \$
Earnings (loss) in accordance with Canadian GAAP	(10,489)	(35,223)	16,382
Mineral property costs for the year (a)i	(40,106)	(38,420)	(45,671)
Gain on sale of mineral property (a)i	6,962	-	-
Gain on sale of joint venture (a)i	-	-	18,143
Mineral costs written-off during the year (a)i	-	-	101
Accretion expense on convertible notes (a)vi	1,126	-	-
Foreign exchange gain (loss) on convertible notes (a)vi	(7,742)	-	-
Financing costs (a)vi	3,690	-	-
Future income tax expense on marketable securities (a)ii	3,416	1,098	-
Loss in accordance with U.S. GAAP	(43,143)	(72,545)	(11,045)
Other comprehensive income (loss) in accordance with Canadian GAAP	(16,605)	(5,339)	-
Unrealized gain (loss) on available-for-sale securities (a)ii	-	-	17,083
Reclassification adjustment for realized (gain) loss on available-for-sale securities	-	-	2,615
Future income tax expense on marketable securities (a)ii	(3,416)	(1,098)	-
Other comprehensive income (loss) in accordance with U.S. GAAP	(20,021)	(6,437)	19,698
Total comprehensive income (loss) in accordance with U.S. GAAP	(63,164)	(78,982)	8,653
Basic weighted-average common shares (000's)	62,694	62,148	58,652
Diluted weighted-average common shares (000's)	62,694	62,148	58,652
Basic and diluted earnings (loss) per share	(0.69)	(1.17)	(0.19)

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

Consolidated summarized statements of cash flows:

	2008 \$	2007 \$	2006 \$
Cash flows from operating activities			
Pursuant to Canadian GAAP	18,003	(4,531)	(2,500)
Mineral property costs (a)i	(39,645)	(36,482)	(35,980)
Financing cost (a)vi	3,690	-	-
Pursuant to U.S. GAAP	(17,952)	(41,013)	(38,480)
Cash flows from financing activities			
Pursuant to Canadian GAAP	135,815	11,794	203,267
Financing cost (a)vi	(3,690)	-	-
Pursuant to U.S. GAAP	132,125	11,794	203,267
Cash flows from investing activities			
Pursuant to Canadian GAAP	(146,260)	(156,250)	5,819
Mineral property costs (a)i	39,645	36,482	35,980
Pursuant to U.S. GAAP	(106,615)	(119,768)	41,799

- a) We prepare our consolidated financial statements in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"), which differ in certain respects from those principles that we would have followed had our consolidated financial statements been prepared in accordance with accounting principles generally accepted in the United States and requirements promulgated by the Securities and Exchange Commission ("SEC") (collectively "U.S. GAAP"). The major differences between Canadian and U.S. GAAP and their effect on the consolidated financial statements are summarized below:
- i) Under Canadian GAAP, the costs of acquiring mineral properties and related exploration and development expenditures are deferred. SEC staff have interpreted U.S. GAAP to require that mineral property exploration and land use costs must be expensed as incurred until commercially mineable deposits are determined to exist within a particular property, as cash flows cannot be reasonably estimated prior to such determination. For U.S. GAAP purposes, we have expensed all land use costs for mineral properties and deferred exploration costs that have been incurred by us, excluding periodic option payments meeting the definition of a mineral right, for which commercially mineable reserves do not exist. Future income taxes related to mineral property costs are reversed accordingly. When proven and probable reserves are determined for a property and a final feasibility study prepared, any subsequent exploration and development costs of the property would be capitalized. Periodic option payments that meet the definition of a mineral property right, as defined in EITF 04-2, "*Whether Mineral Rights are Tangible or Intangible Assets*", are viewed as a tangible asset and capitalized. Capitalized option payments are amortized over the option period as defined in the related option agreement. Once in production, any subsequent development costs would be treated as production costs charged to production. In early April 2006, a Feasibility Study Update for the Piriquitas property was completed. This study defined proven and probable reserves and, as a consequence, exploration and development costs relating to this property from March 31, 2006 have been deferred under U.S. GAAP.

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

On July 17, 2008, we closed the sale of the Shafter Silver Project (see note 8(xvii)). For Canadian GAAP, the sale resulted in a gain of \$31,526,000 after deducting carrying value of disposed assets and liabilities and transaction costs. For U.S. GAAP, the gain on sale of mineral property was increased by \$6,962,000, reflecting the lower carrying value of mineral property costs under U.S. GAAP.

For Canadian GAAP, cash flows relating to mineral property exploration and land use costs are reported as investing activities. For U.S. GAAP, these costs are characterized as operating activities.

- ii) Under U.S. GAAP, securities that are available-for-sale are recorded at fair value and unrealized gains or losses are included as part of comprehensive income. An impairment on available-for-sale securities is recorded in income if such loss is determined to be other than temporary.

Under Canadian GAAP, prior to January 1, 2007, marketable securities were valued at the lower of cost and market with any write-down recorded as a charge to earnings. Effective January 1, 2007, upon adoption of new CICA Handbook Section 3855, marketable securities have been designated as available-for-sale financial assets and are recorded at fair value consistent with U.S. GAAP. We recognized an adjustment of \$29,800,000 to the opening balance of accumulated other comprehensive income, representing the unrealized gain on available-for-sale marketable securities held by us at January 1, 2007 under Canadian GAAP. No similar adjustment would be recognized under U.S. GAAP in 2007. Consequently, GAAP differences related to available-for-sale securities have been eliminated effective January 1, 2007.

Under Canadian GAAP, as described in Note 3(e), effective September 30, 2008, the Company adopted the provisions of EIC-172 which required the tax benefits recognized consequent to the recording of unrealized gains in comprehensive income to be recognized in net income. Under U.S. GAAP, no similar provisions exist and such tax benefits would be recorded in other comprehensive income. For U.S. GAAP purposes, opening deficit as at January 1, 2007 would decrease and other comprehensive income would decrease by \$5,084,000. Other comprehensive loss would increase and income tax expense would decrease by \$3,416,000 (2007 - \$1,098,000) during the year.

- iii) Under Canadian GAAP, before the introduction of Canadian Institute of Chartered Accountants (CICA) 1581, "*Business Combinations*", the fair value of shares issued by an acquirer to effect a business combination was based on the quoted market price of shares at the date of acquisition. Under U.S. GAAP, the fair value of shares issued is based on the market price surrounding the date the business combination agreement is agreed to and announced.

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

- iv) Canadian GAAP provides for investments in jointly controlled entities to be accounted for using proportionate consolidation. Under U.S. GAAP, investments in incorporated joint ventures are to be accounted for using the equity method. Under an accommodation of the SEC, the accounting for joint ventures need not be reconciled from Canadian to U.S. GAAP. The different accounting treatment affects only the presentation and classification of financial statement items and not net income or shareholders' equity.
- v) For U.S. GAAP purposes, we previously accounted for employee stock-based compensation arrangements using the intrinsic value method prescribed in Accounting Principles Board "APB" Opinion No. 25, "*Accounting for Stock Issued to Employees*" and related interpretations. Accordingly, since stock options are granted at exercise prices that are at or above the quoted market value of our common shares at the date of grant, there is no compensation cost recognized by the company for options granted to employees. We adopted the fair value based method of accounting for employee stock-based compensation under U.S. GAAP effective January 1, 2005 using the modified prospective transition method. Under this method, we recognized employee stock-based compensation beginning January 1, 2005 as if the fair value method had been used to account for all employee awards granted, modified, or settled in fiscal years beginning after December 15, 1994.

For Canadian GAAP purposes, we adopted, as of January 1, 2004, the CICA's amendments to Section 3870, "*Stock-Based Compensation and other Stock-Based Payments*", which required the fair value method to be applied to employee stock-based compensation.

Effective January 1, 2006, we adopted Statement of Financial Accounting Standard ("SFAS") No. 123R, "*Share Based Payment*" for all employee stock-based awards granted, modified or settled after the effective date using the fair value measurement method. Compensation cost is recognized over the period during which an employee is required to provide service in exchange for the award – the requisite service period. For unvested awards outstanding as of the effective date, compensation was recognized based upon the grant-date fair value determined under SFAS No. 123 "*Accounting for Stock-Based Compensation*". Upon adoption of SFAS 123R using the modified prospective method, there was no cumulative effect adjustment required and no differences exist between the accounting for employee stock-based compensation expense in 2006 to December 31, 2008 between Canadian and U.S. GAAP.

- vi) Under U.S. GAAP, a value is assigned to the conversion feature on the convertible debt only if the effective conversion rate is less than the market price of the common stock at the date of issuance. No value would be assigned under U.S. GAAP to the conversion feature. Accordingly, accretion expense would decrease by \$1,126,000, capitalized interest would decrease by \$3,445,000, foreign exchange loss would increase by \$7,742,000 and financing fees charged to net income would decrease by \$3,690,000. In addition, under U.S. GAAP, related financing costs are classified as financing activities.

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

b) Other disclosures

The following additional information would be presented if these consolidated financial statements were presented in accordance with U.S. GAAP:

i) Accounts receivable

	2008 \$	2007 \$
Value added tax	295	402
Other receivables	3,099	2,501
	<u>3,394</u>	<u>2,903</u>

ii) Development stage enterprise

We meet the definition of a development stage enterprise under SFAS No. 7, Accounting and Reporting by Development Stage Enterprises. The following additional disclosures are required under U.S. GAAP:

Consolidated summarized statements of loss and deficit and cash flows since October 1, 1993, the date we made a strategic decision to concentrate on the acquisition and exploration of bulk silver mineral properties in North, Central and South America.

Consolidated loss and deficit:

	Period from October 1, 1993 (inception) to December 31, 2008 \$
Mineral property exploration and reclamation	303,564
General and administration, salaries, professional fees	92,212
Other income	<u>(81,514)</u>
Net loss for the period from October 1, 1993 to December 31, 2008, being the deficit accumulated during the development stage	314,262
Opening retained earnings, October 1, 1993	<u>(976)</u>
Ending deficit, December, 2008	<u>313,286</u>

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

Consolidated cash flows:

	Period from October 1, 1993 (inception) to December 31, 2008 \$
Operating activities	(208,076)
Investing activities	(205,479)
Financing activities	500,611
Increase in cash and cash equivalents	87,056
Cash and cash equivalents – October 1, 1993	1,131
Cash and cash equivalents – December 31, 2008	88,187

iii) Additional shareholders' equity disclosure required under FAS No. 7.

	Issue Price \$	Common Shares Number of shares	Amount \$	Sub- scriptions receivable \$	Values assigned to options \$	Values assigned to warrants \$	Contributed Surplus \$	Compre- hensive income (loss) \$	Retained earnings (deficit) \$	Total shareholders' equity \$
Balance October 1, 1993		3,409,791	2,272	-	-	-	-	-	976	3,248
Issued for cash	0.75	2,810,000	2,108	-	-	-	-	-	-	2,108
Non-cash										
- Mineral properties	0.72	25,000	18	-	-	-	-	-	-	18
- Allotted but not issued		-	-	-	-	-	-	-	-	0
- Assigned values to options issued		-	312	-	-	-	-	-	-	312
Gain (loss) for year		-	-	-	-	-	2,102	-	155	2,257
Balance September 30, 1994		6,244,791	4,710	-	-	-	2,102	-	1,131	7,943
Issued for cash										
- Private placement	1.01	2,570,000	2,590	-	-	-	-	-	-	2,590
Non-cash										
- Mineral properties	4.13	15,000	62	-	-	-	-	-	-	62
- Allotted shares issued	4.08	75,000	306	-	-	-	-	-	-	306
- Assigned values to options issued		-	18	-	-	-	-	-	-	18
Gain (loss) for year		-	-	-	-	-	(1,046)	-	(2,459)	(3,505)
Balance September 30, 1995		8,904,791	7,686	-	-	-	1,056	-	(1,328)	7,414
Issued for cash										
- Private placement	4.27	2,550,000	10,890	-	-	-	-	-	-	10,890
- Special warrants	4.00	2,000,000	8,000	-	-	-	-	-	-	8,000
Non-cash										
- Mineral properties	5.20	85,000	443	-	-	-	-	-	-	443
- Finder's fees		-	(554)	-	-	-	-	-	-	(554)
- Assigned values to options issued		-	17	-	-	-	-	-	-	17
Gain (loss) for year		-	-	-	-	-	(58)	-	(8,874)	(8,932)
Balance December 31, 1996		13,539,791	26,482	-	-	-	998	-	(10,202)	17,278

Silver Standard Resources Inc.

(a development stage company)

Notes to Consolidated Financial Statements

December 31, 2008, 2007 and 2006

(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

	Issue Price \$	Common Shares Number of shares	Amount \$	Sub- scriptions receivable \$	Values assigned to options \$	Values assigned to warrants \$	Contributed Surplus \$	Compre- hensive income (loss) \$	Retained earnings (deficit) \$	Total shareholders' equity \$
Issued for cash										
- Private placement	5.00	680,000	3,400	-	-	-	-	-	-	3,400
- Exercise of options	5.72	25,000	143	-	-	-	-	-	-	143
- For special warrants	4.30	745,000	3,203	-	-	-	-	-	-	3,203
Non-cash										
- Mineral properties	4.95	311,006	1,541	-	-	-	-	-	-	1,541
- Finder's fees	5.00	20,000	100	-	-	-	-	-	-	100
- Assigned values to options issued		-	810	-	-	-	-	-	-	810
- Share issue costs		-	(317)	-	-	-	-	-	-	(317)
Gain (loss) for year		-	-	-	-	-	(537)	-	(18,557)	(19,094)
Balance December 31, 1997		15,320,797	35,362	-	-	-	461	-	(28,759)	7,064
Issued for cash										
- Private placement		-	-	-	-	-	-	-	-	-
- Exercise of options	5.70	10,000	57	-	-	-	-	-	-	57
- For special warrants	5.50	630,000	3,465	-	-	-	-	-	-	3,465
Non-cash										
- Mineral properties	3.84	85,000	326	-	-	-	-	-	-	326
- Assigned values to options issued		-	155	-	-	-	-	-	-	155
- Share issue costs		-	(285)	-	-	-	-	-	-	(285)
Gain (loss) for year		-	-	-	-	-	(454)	-	(6,386)	(6,840)
Balance December 31, 1998		16,045,797	39,080	-	-	-	7	-	(35,145)	3,942
Issued for cash										
- Private placement	1.40	1,388,144	1,944	-	-	-	-	-	-	1,944
- Exercise of options	1.75	100,700	176	-	-	-	-	-	-	176
- Exercise of warrants	1.93	567,955	1,096	-	-	-	-	-	-	1,096
Non-cash										
- Mineral properties	2.20	50,000	110	-	-	-	-	-	-	110
- On business combination	1.75	2,285,451	3,999	-	-	-	-	-	-	3,999
- Share issue costs		-	(116)	-	-	-	-	-	-	(116)
Gain (loss) for year		-	-	-	-	-	8	-	(8,672)	(8,664)
Balance December 31, 1999		20,438,047	46,289	-	-	-	15	-	(43,817)	2,487
Issued for cash										
- Private placement	1.50	1,633,334	2,450	-	-	-	-	-	-	2,450
- Exercise of options	1.75	807,100	1,413	-	-	-	-	-	-	1,413
- Exercise of warrants	1.60	1,273,859	2,038	-	-	-	-	-	-	2,038
Non-cash										
- Mineral properties	2.22	27,500	61	-	-	-	-	-	-	61
- Finder's fees	1.50	86,666	130	-	-	-	-	-	-	130
- Fractional shares repurchased		(48)	-	-	-	-	-	-	-	-
- Share issue costs		-	(134)	-	-	-	-	-	-	(134)
Gain (loss) for year		-	-	-	-	-	(13)	-	(5,777)	(5,790)
Balance December 31, 2000		24,266,458	52,247	-	-	-	2	-	(49,594)	2,655
Issued for cash										
- Private placement	2.35	1,914,000	4,495	-	-	-	-	-	-	4,495
- Exercise of options	2.05	1,941,225	3,976	-	-	-	-	-	-	3,976
- Exercise of warrants	1.56	1,733,000	2,703	-	-	-	-	-	-	2,703
Non-cash										
- Mineral properties	2.88	1,000,000	2,882	-	-	-	-	-	-	2,882
- Finder's fees	2.35	59,270	139	-	-	-	-	-	-	139
- Assigned value to warrants issued		-	-	-	-	326	-	-	-	326
- Share issue costs		-	(165)	-	-	-	-	-	-	(165)
Gain (loss) for year		-	-	-	-	-	-	-	(15,317)	(15,317)
Balance December 31, 2001		30,913,953	66,277	-	-	326	2	-	(64,911)	1,694

Silver Standard Resources Inc.

(a development stage company)

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(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

	Issue Price \$	Common Shares Number of shares	Amount \$	Sub- scriptions receivable \$	Values assigned to options \$	Values assigned to warrants \$	Contributed Surplus \$	Compre- hensive income (loss) \$	Retained earnings (deficit) \$	Total shareholders' equity \$
Issued for cash										
- Private placement	4.21	4,750,000	19,979	-	-	-	-	-	-	19,979
- Exercise of options	2.63	695,734	1,827	-	-	-	-	-	-	1,827
- Exercise of warrants	3.10	1,584,301	4,919	-	-	-	-	-	-	4,919
Non-cash										
- Mineral properties	6.33	198,706	1,258	-	-	-	-	-	-	1,258
- Finder's fees	4.01	80,640	323	-	-	-	-	-	-	323
- On conversion of conv. Debenture	5.80	360,636	2,092	-	-	-	-	-	-	2,092
- For mineral properties payables	5.49	596,917	3,280	-	-	-	-	-	-	3,280
- Assigned values to options issued	-	-	-	-	161	-	-	-	-	161
- Assigned value of exercised op/wts	-	-	339	-	(13)	(326)	-	-	-	-
- Donations	4.10	10,000	41	-	-	-	-	-	-	41
- Share issue costs	-	-	(656)	-	-	-	-	-	-	(656)
Gain (loss) for year	-	-	-	-	-	-	1,045	-	(19,282)	(18,237)
Balance December 31, 2002	-	39,190,887	99,679	-	148	0	1,047	-	(84,193)	16,681
Issued for cash										
- Private placement	-	-	-	-	-	-	-	-	-	-
- Exercise of options	3.99	536,372	2,140	-	-	-	-	-	-	2,140
- Exercise of warrants	3.99	2,779,589	11,089	-	-	-	-	-	-	11,089
- Subscriptions receive on warrants	-	-	-	455	-	-	-	-	-	455
Non-cash										
- Mineral properties	6.95	88,004	612	-	-	-	-	-	-	612
- On settlement of interest	7.52	9,980	75	-	-	-	-	-	-	75
- Assigned values to options issued	-	-	-	-	187	-	-	-	-	187
- Assigned value of exercised options	-	-	165	-	(165)	-	-	-	-	-
- Share issue costs	-	-	(54)	-	-	-	-	-	-	(54)
Gain (loss) for year	-	-	-	-	-	-	7,226	-	(14,099)	(6,873)
Balance December 31, 2003	-	42,604,832	113,706	455	170	0	8,273	-	(98,292)	24,312
Issued for cash										
- Private placement	12.57	2,955,000	37,132	-	-	6,819	-	-	-	43,951
- Exercise of options	5.64	525,700	2,963	-	-	-	-	-	-	2,963
- Exercise of warrants	5.00	2,686,620	13,420	-	-	-	-	-	-	13,420
Non-cash										
- Mineral properties	18.71	2,680,500	50,165	-	-	-	-	-	-	50,165
- Finder's fees	12.58	31,250	393	-	-	192	-	-	-	585
- Assigned values to options issued	-	-	-	-	53	-	-	-	-	53
- Assigned value of exercised options	-	-	154	-	(86)	-	-	-	-	68
- shares issued on warrant subscriptions	4.90	92,900	455	(455)	-	-	-	-	-	-
- Share issue costs	-	-	(1,513)	-	-	-	-	-	-	(1,513)
Gain (loss) for year	-	-	-	-	-	-	-	-	(61,680)	(61,680)
Adjustment for stock-based comp.	-	-	-	-	-	-	-	(5,480)	-	(5,480)
Balance – December 31, 2004	-	51,576,802	216,875	-	137	7,011	-	2,793	(159,972)	66,844
Issued for cash										
- Exercise of options	6.21	259,269	1,610	-	-	-	-	-	-	1,610
- Exercise of warrants	18.50	10,000	185	-	-	-	-	-	-	185
Non-cash										
- Mineral properties	14.20	3,170	45	-	-	-	-	-	-	45
- Assigned values to options issued	-	-	-	-	4,194	-	-	-	-	4,194
- Assigned value of exercised options	-	-	12	-	(12)	-	-	-	-	-
- Assigned value of exercised warrants	-	-	46	-	-	(46)	-	-	-	-
Gain (loss) for year	-	-	-	-	-	-	-	7,309	(26,581)	(19,272)
Balance – December 31, 2005	-	51,849,241	218,773	-	4,319	6,965	-	10,102	(186,553)	53,606

Silver Standard Resources Inc.

(a development stage company)

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

	Issue Price \$	Common Shares Number of shares	Amount \$		Values assigned to options \$	Values assigned to warrants \$	Contributed Surplus \$	Compre- hensive income (loss) \$	Retained earnings (deficit) \$	Total shareholders' equity \$
Issued for cash										
- Public offering	25.37	7,200,000	182,663	-	-	-	-	-	-	182,663
- Exercise of options	9.79	668,750	6,548	-	-	-	-	-	-	6,548
- Exercise of warrants	18.50	1,386,625	25,652	-	-	-	-	-	-	25,652
Non-cash										
- Mineral properties	18.50	530,504	9,814	-	-	-	-	-	-	9,814
- Assigned values to options issued		-	-	-	13,686	-	-	-	-	13,686
- Assigned value of exercised options		-	2,583	-	(2,583)	-	-	-	-	-
- Assigned value of exercised warrants		-	6,400	-	-	(6,400)	-	-	-	-
- Donations	20.91	11,000	230	-	-	-	-	-	-	230
- Share issue costs		-	(11,596)	-	-	-	-	-	-	(11,596)
- Options expired/forfeited		-	-	-	(83)	-	83	-	-	-
- Warrants expired		-	-	-	-	(566)	566	-	-	-
Gain (loss) for year		-	-	-	-	-	-	19,698	(11,045)	8,653
Balance - December 31, 2006		61,646,120	441,067		15,339	-	649	29,800	(197,598)	289,257
Issued for cash										
- Exercise of options	3.99	886,600	11,794	-	-	-	-	-	-	11,794
Non-cash										
- Mineral properties	6.95	9,285	358	-	-	-	-	-	-	358
- Assigned values to options granted		-	-	-	15,523	-	-	-	-	15,523
- Assigned value of exercised options		-	4,511	-	(4,511)	-	-	-	-	-
- Donations		27,442	960	-	-	-	-	-	-	960
Other comprehensive loss for year		-	-	-	-	-	-	(6,437)	-	(6,437)
Gain (loss) for year		-	-	-	-	-	-	-	(72,545)	(72,545)
Balance - December 31, 2007		62,569,447	458,690		26,351	-	649	23,363	(270,143)	238,910
Issued for cash										
- Exercise of options	12.46	186,100	2,319	-	-	-	-	-	-	2,319
Non-cash										
- Assigned values to options granted		-	-	-	10,272	-	-	-	-	10,272
- Assigned value of exercised options		-	918	-	(918)	-	-	-	-	-
Other comprehensive loss for year		-	-	-	-	-	-	(20,021)	-	(20,021)
Gain (loss) for year		-	-	-	-	-	-	-	(43,143)	(43,143)
Balance - December 31, 2008		62,755,547	461,927	-	35,705	-	649	3,342	(313,286)	188,337

iv) Rental Expense

The total rent expense charged to the statement of earnings (loss) for the year ending December 31, 2008 was \$429,000 (2007 - \$320,000; 2006 - \$266,000).

Silver Standard Resources Inc.

(a development stage company)

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

v) Income Tax Uncertainty

The Company adopted the provisions of FASB Interpretation No. 48, "*Accounting for Uncertainty in Income Taxes*", on January 1, 2007. As a result of the implementation of Interpretation 48, the company did not recognize any further increases in the liability for unrecognized tax benefits other than positions arising in the year ended December 31, 2008. A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	\$(000)
Balance as at January 1, 2008	1,475
Decreases based on tax positions related to the current year	(1,049)
Decreases relating to settlements with the taxing authorities	-
Decreases relating to lapses of the applicable statute of limitations	-
Balance as at December 31, 2008	426

If recognized, none of the unrecognized tax benefits would affect the effective tax rate due to the existence of valuation allowances against the related deferred tax assets.

The Company has not recognized interest accrued related to unrecognized tax benefits due to the forecasted loss carry forward amounts in relevant jurisdictions.

vi) Recently Adopted Accounting Standards

- i) In September 2006, FASB issued SFAS No. 157, "*Fair Value Measurement*" to define fair value, establish a framework for measuring fair value and to expand disclosures about fair value measurements. The statement only applies to fair value measurements that are already required or permitted under current accounting standards and is effective for fiscal years beginning after November 15, 2007. The adoption of SFAS 157 for financial instruments as required at January 1, 2008 did not have a material effect on the company's results of operations or financial position; however, the company provided additional disclosures in these consolidated financial statements. The company will adopt SFAS 157 for non financial assets and non-financial liabilities on January 1, 2009, as required, and does not expect the provisions to have a material effect on the company's results of operations or financial position.

Silver Standard Resources Inc.

(a development stage company)

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18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

SFAS 157 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The company's Level 1 assets include the valuation of available-for-sale investments with no trading restrictions using a market approach based upon unadjusted quoted prices for identical assets in an active market. The company's Level 2 assets include the valuation of convertible debenture receivable based on the discounted cash flow approach; derivatives based on the Black-Scholes model; and long-term convertible notes based on average market quoted price provided by market makers in the over-the-counter market on the balance sheet date. The company's Level 3 assets include the valuation of other investments as determined using a probability-based discounted cash flow approach.

	Fair market value	Quoted prices in active markets for identical assets Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Available-for-sale securities	13,376	13,376	-	-
Convertible debenture receivable	7,050	-	7,050	-
Other Investments	26,700	-	-	26,700
Derivatives	61	-	61	-
Long-term convertible debt	(111,672)	-	(111,672)	-
Total	(64,485)	13,376	(104,561)	26,700

- ii) In February 2007, FASB issued SFAS No. 159, "*Fair Value Option For Financial Assets and Liabilities*", which permits entities to choose to measure various financial instruments and certain other items at fair value. The adoption of SFAS 159 on January 1, 2008 did not have a material effect on the company's results of operations or financial position.

Silver Standard Resources Inc.

(a development stage company)

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(tabular amounts expressed in thousands of Canadian dollars unless otherwise stated)

18 MATERIAL DIFFERENCES BETWEEN CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) (Cont'd)

vii) Impact of recently issued accounting standards

- i) In December 2007, FASB issued SFAS 160, "*Non-controlling Interests in Consolidated Financial Statements*", which specifies that non-controlling interests are to be treated as a separate component of equity, not as a liability or other item outside of equity. Because non-controlling interests are an element of equity, increases and decreases in the parent's ownership interest that leave control intact are accounted for as capital transactions.

The statement is effective for business combinations entered into on or after December 15, 2008, and is to be applied prospectively to all non-controlling interests, including any that arose before the effective date. The effect of the adoption of this Statement to the company's results of operations or financial position is still being determined.

- ii) In December 2007, the FASB issued a revised standard on accounting for business combinations, SFAS 141R.

The statement is effective for periods beginning on or after December 15, 2008. We do not expect the adoption of this Interpretation to have a significant effect on the company's results of operations or financial position, until the company enters into a business combination.

- iii) In May 2008, FASB issued FASB Staff Position Accounting Principles Board 14-1 ("FSP APB 14-1"), which revises the accounting treatment for convertible debt instruments that may be settled in cash upon conversion. FSP APB 14-1 requires the issuer to separately account for the liability and equity components of convertible debt instruments. The value assigned to the liability component would be the estimated fair value, as of the date of issuance, of similar debt without the conversion option, but including any other embedded features. The difference between the proceeds of the debt and the value allocated to the liability component would be recorded in equity. The standard is effective for periods beginning on or after December 15, 2008, and is to be applied retrospectively. The effect of the adoption of this Statement to the company's results of operations or financial position is still being determined.
- iv) In June 2008, FASB Task Force reached a consensus on EITF Issue No. 07-5, "*Determining Whether an Instrument (or embedded Feature) is Indexed to an Entity's Own Stock*". The standard provides that an equity-linked financial instrument (or embedded feature) would not be considered indexed to the entity's own stock if the strike price is denominated in a currency other than the issuer's functional currency. The Issue is effective for periods beginning on or after December 15, 2008. The effect of adopting this EITF on the company's results of operations or financial position is still being determined.

Silver Standard Resources Inc.

(a development stage company)

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19 SUBSEQUENT EVENTS

- (a) In February 2009, we closed a public share offering of 5,450,000 common shares at a price of US\$17.00 per share, for aggregate gross proceeds of \$115,924,000 (US\$92,650,000). After deducting underwriting fees and estimated offering expenses of \$6,922,000 (US\$5,533,000), net proceeds were \$109,002,000 (US\$87,117,000).
- (b) In February 2009, Geologix Explorations Inc. elected not to exercise its option to acquire 100% interest in the San Agustin property. As a result, the San Agustin property, which contains a resource estimate of 1.61 million ounces of indicated gold, 1.08 million ounces of inferred gold, 48.3 million ounces of indicated silver and 37.3 million ounces of inferred silver, was returned to us.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Silver Standard Resources Inc.
(Company)

By: /s/ Robert A. Quartermain
Robert A. Quartermain, President & Director

Date: March 31, 2009

Exhibit 12.1

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert A. Quartermain, certify that:

1. I have reviewed this annual report on Form 20-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 registrant as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) 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 company 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 company, 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 company'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 company'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 company's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (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 company'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 company's internal control over financial reporting.

Date: March 31, 2009

/s/Robert A. Quartermain
Robert A. Quartermain
President

Exhibit 12.2

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Tom S.Q. Yip, certify that:

1. I have reviewed this annual report on Form 20-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 company as of, and for, the periods presented in this report;
4. The company's other certifying officer(s) 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 company 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 company, 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 company'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 company'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 registrant's internal control over financial reporting; and
5. The company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - (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 company'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 company's internal control over financial reporting.

Date: March 31, 2009

/s/Tom S.Q. Yip
Tom S.Q. Yip
Vice President, Finance and CFO

Exhibit 13.1

**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 20-F of Silver Standard Resources Inc. for the year ended December 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: March 31, 2009

/s/ Robert A. Quartermain
Robert A. Quartermain
President

Exhibit 13.2

**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 20-F of Silver Standard Resources Inc. for the year ended December 31, 2007, as filed with the Securities and Exchange Commission on the date hereof (the "Annual Report"), I hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of the registrant.

Date: March 31, 2009

/s/Tom S.Q. Yip
Tom S.Q. Yip
Vice President, Finance and CFO