


# Q1 2014 CONFERENCE CALL

May 9, 2014

# Cautionary Notes

**Cautionary Note Regarding Forward-Looking Statements**

This presentation contains "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of Canadian securities laws (collectively, "forward-looking statements") concerning the anticipated developments in our operations in future periods, our planned exploration activities, the adequacy of our financial resources, the Marigold mine acquisition and other events or conditions that may occur or exist 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.

Generally, forward-looking statements can be identified by the use of words or phrases such as "expects," "anticipates," "plans," "projects," "estimates," "assumes," "intends," "strategy," "goals," "objectives," "potential" or variations thereof, or stating that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, or the negative of any of these terms or similar expressions. These forward-looking statements are subject to a variety of risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied, including, without limitation, risks and uncertainties related to: production, development plans and cost estimates for our material properties; future exploration and development; Mineral Reserves and Mineral Resources estimates and our ability to extract mineralization profitably and replace our Mineral Reserves; our ability to successfully integrate the Marigold mine acquisition; our ability to obtain adequate financing; commodity price fluctuations; political or economic instability and unexpected regulatory changes; currency fluctuations; the recoverability of our interest in Pretium Resources Inc. and our other marketable securities; counterparty and market risks related to the sale of our concentrates and metals; governmental regulations, including health, safety and environmental regulations, increased costs and restrictions on operations due to compliance with such regulations; unpredictable risks and hazards related to the development and operation of a mine or mine property that are beyond our control; compliance with anti-corruption laws and increased regulatory compliance costs; title to our mineral properties and the surface rights thereon; recoverability of deferred consideration to be received in connection with recent divestitures; operational safety and security; our ability to access, when required, mining equipment and services; competition in the mining industry for properties; our ability to attract and retain qualified personnel and management and potential labour unrest; shortage or poor quality of equipment or supplies; claims and legal proceedings, including adverse rulings in current or future litigation, and assessments; the terms of our outstanding convertible notes; and those other various risks and uncertainties identified under the heading "Risk Factors" in our most recent Form 40-F and Annual Information Form filed with the U.S. Securities and Exchange Commission (the "SEC") and Canadian securities regulatory authorities.

Our forward-looking statements are based on what our management currently considers to be reasonable assumptions, beliefs, expectations and opinions and we cannot assure you that actual events, performance or results will be consistent with these forward-looking statements. Assumptions have been made regarding, among other things: our ability to carry on our exploration and development activities; the discovery of Mineral Reserves and Mineral Resources on our mineral properties; the timely receipt of required approvals and permits; the price of the metals we produce; the costs of operating and exploration expenditures; our ability to operate in a safe, efficient and effective manner; our ability to obtain financing as and when required and on reasonable terms; our ability to continue operating the Pirquitas mine and the Marigold mine; and those other assumptions identified under the heading "Introductory Notes – Cautionary Notice Regarding Forward-Looking Statements" in our most recent Form 40-F and Annual Information Form. Our forward-looking statements reflect current expectations regarding future events and operating performance and we do not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change other than as required by applicable law. For the reasons set forth above, you should not place undue reliance on forward-looking statements.

All references to "$" in this presentation are to U.S. dollars unless otherwise stated.

**Cautionary Note Regarding Non-GAAP Measures**

This presentation includes certain terms or performance measures commonly used in the mining industry that are not defined under International Financial Reporting Standards ("IFRS"), including cost of inventory, cash costs and total costs per payable ounce of silver or gold sold and adjusted net income (loss) and adjusted basic earnings (loss) per share. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-GAAP measures should be read in conjunction with our consolidated financial statements.

# TRANSFORMATIONAL PERIOD

- Completed the Marigold mine acquisition
- Focused on organizational cost discipline
- Two large producing mines strongly positioned for the future



# PIRQUITAS: Q1 2014

- Produced 1.9M oz of silver and 8.8M lbs of zinc
- Reported cash costs of $12.36/oz of silver sold
- Focused on operational excellence
- Reaffirmed annual guidance



# **MARIGOLD:** Upgrades our Portfolio

- **Completed Marigold acquisition**
- **Added strong technical and operating team**
- **Commenced mine optimization activities**



# Marigold: 2014 Guidance

| | April 4 – December 31, 2014 |
|---|---|
| Gold production | **105,000 – 115,000 ozs** |
| Cash costs per payable ounce of gold sold * | **$1,000 – $1,100 / oz** |
| Capital Expenditures | **$20M** |



* Cash costs are a non-GAAP financial measure. Please see "Cautionary Note Regarding Non-GAAP Measures" in this presentation.

# PITARRILLA

- Option evaluation continues
- Re-prioritized



# EXPLORATION: Advancing our Portfolio

- **Bonita Zone: Advanced project for drilling in June 2014**
- **Marigold: Initiated exploration program in April 2014**
- **Pirquitas:  Exploration activities to extend mine life**



# First Quarter Results

SILVER STANDARD

| | Q1 2014 |
|---|---|
| Silver Production | **1.9Mozs** |
| Silver Sales | **1.6Mozs** |
| Revenue | **$33.7M** |
| Income from Mine Operations | **$5.9M** |
| Net Loss | **$16.9M** |



# Cash Costs: Lowered cost profile




Note: Cash costs are a non-GAAP financial measure. Please see "Cautionary Note Regarding Non-GAAP Measures" in this presentation. Information for Q1 2013 has been restated as discussed in section 12 of our Management's Discussion and Analysis.

# Financial Strength to Fund Growth

SILVER STANDARD



| | Q1 2014 |
|---|---|
| Cash | **$396M** |
| Current Assets* | **$671M** |
| Current Liabilities | **$84M** |
| Working Capital* | **$587M** |

* Inclusive of Pretium Resources Inc. investment of $110.3 million, Argonaut Gold Inc. investment of $22.3 million and Mandalay Resources Corp. investment of $9.8 million as of March 31, 2014.

# Key Goals for 2014

- Successfully integrate and optimize Marigold
- Continue operational excellence at Pirquitas
- Define pathways for San Luis and Pitarrilla
- Maintain strong balance sheet and cost discipline
- Focus on growth opportunities

**Elements for growth**




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