



BUILDING ON STRENGTH

SUSTAINABILITY REPORT 2015

EXECUTIVE SUMMARY

Sustainability is the integration of environmental, economic and social principles in development to ensure that present needs can be met without compromising the needs of future generations.

Sustainability has profound meaning for Pan American Silver. It underpins our vision to be the best positioned silver producer in the industry, with experienced leadership and the right mix of assets to create value and drive future growth. It defines our sense of responsibility toward the environment, motivates us to protect the health and safety of our employees and contractors, and inspires us to be a force for positive change in the communities and countries where we operate.



26.12
million silver
ounces produced

8,593

people received medical
attention through local health
facilities and campaigns



About Pan American Silver

Pan American Silver Corp. is a Canadian company based in Vancouver, Canada. We are the second largest primary silver producer in the world, with almost 6,500 employees and contractors at our mine sites and projects in the Americas. Our common shares are listed on the Toronto Stock Exchange and NASDAQ under the symbols PAA and PAAS, respectively.

In 2015, Pan American achieved record silver production of 26.12 million ounces from mines in Mexico, Peru, Bolivia, and Argentina, along with record gold production of 183,700 ounces.

Our strong production performance in 2015 was accompanied by a 15% decrease in cash costs⁽¹⁾ and a 17% decrease in all-in sustaining costs per silver ounce sold, net of by-product credits.⁽¹⁾

Despite deteriorating metal prices, our combined operations generated net cash flow of \$88.7 million in 2015, sufficient to fully fund annual sustaining capital of \$73.7 million.

Another highlight of 2015 was the progress of expansion programs at the Dolores and La Colorada mines in Mexico. These expansions will ensure the long-term sustainability of the Company as other mines move toward the closure and reclamation phases of the mine cycle.



Sustainability Disclosure

Sustainability has been a guiding influence for Pan American since 1994, before the concept was formalized into internationally recognized guidelines and standards. We understood early that our future success depended on proactively integrating environmental and social values into our business model and corporate culture. Starting from a single mine in Peru, we have evolved into a responsible

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silver producer with seven mines and an exceptional portfolio of mineral projects in the Americas. We are proud of the role we play in sharing the economic and social benefits of silver mining with our employees, local communities, shareholders and other stakeholders.

As a Canadian-based public company, we disclose our financial and operating results on a quarterly and annual basis, along with details of exploration and development projects that will sustain our future business. We believe that our disclosure and governance systems meet or exceed requirements established by securities regulators in Canada and the United States.

For the past six years, we have released annual Sustainability Reports to disclose our sustainability strategy and performance to a broad audience of stakeholders. We recognize the need to be transparent about the impacts of our operating activities and the outcomes of our sustainability programs.

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ROSS BEATY, *Chairman*

To me, “sustainable mining” means creating safe and clean working practices, maintaining as healthy a natural environment as possible at and around our operations, and partnering with our employees, contractors, communities and governments to create a strong economic, educational, and healthy environment that will persist long after mining ceases.



MICHAEL STEINMANN, *President & CEO*

I am honoured to be the third President and CEO in the 21-year history of Pan American Silver and would like to thank our Board of Directors, employees and investors for their votes of confidence. I am pleased to address our stakeholder audience and appreciate their ongoing interest in our sustainability journey.



Our accomplishments would not have been possible without our employees and contractors, who contribute their best efforts to our Company. We count on their continued support to complete our projects and to successfully implement our long-term strategy. Because of them, Pan American is a recognized leader in corporate social responsibility and is well positioned in the silver industry to deliver value through efficient operations and organic growth, for the benefit of all stakeholders.

All amounts in this report are expressed in US\$, unless otherwise noted.

(1) Cash costs per payable ounce of silver, net of by-product credits (“cash costs”) and all-in sustaining costs per silver ounce sold, net of by-product credits (“AISCOS”) are non-GAAP measures. Cash costs and AISCOS do not have standardized meanings and Pan American Silver’s method of calculating them may differ from the methods used by other entities. Readers should refer to the “Alternative Performance (non-GAAP) Measures” section of Pan American Silver’s Management’s Discussion & Analysis for the year ended December 31, 2015, for a more detailed discussion of these measure and their calculation.

Stakeholder Engagement

Stakeholder consultation is a best practice at Pan American Silver, and has been for more than 20 years. Mining companies consult with stakeholders as a matter of principle before launching work programs and consultations continue throughout the mine life cycle. Every engineering study for a proposed mine must consider the social and environmental impacts on stakeholders in order to gain permits and other regulatory approvals. Our business is in

We have adopted a decentralized approach to stakeholder engagement as we believe that open and honest dialogue is best achieved by understanding and respecting the values and culture of each group.

many ways dependent on establishing relationships with governments, local communities and other stakeholders that may be involved in our activities.

We have adopted a decentralized approach to stakeholder engagement as we believe that open and honest dialogue is best achieved by understanding and respecting the values and culture of each group. A 'one size fits all' approach to consultation is rarely meaningful or effective. This is particularly true for Pan American, as our stakeholder groups

include 6,500 employees and contractors at mines and projects in Mexico, Peru, Bolivia, Argentina, and the United States, and at our head office in Vancouver, Canada. Other groups include shareholders, local communities near our mines and projects, government agencies and non-governmental organizations (NGOs).



206

people responded to our stakeholder consultation

Materiality

The concept of materiality is the heart of sustainability reporting. Pan American believes that materiality is best determined through open and honest dialogue with our interest groups. To facilitate this consultation process, we sent out a questionnaire to a broad range of stakeholders in Canada, Mexico, Peru, Argentina and Bolivia, to add to direct feedback obtained from our operating, environmental, and CSR teams on the ground.

In accordance with GRI G4 Guidelines, the feedback and responses were incorporated into a "Materiality Assessment", which identified the sustainability subjects or "Aspects" considered most critical to our key stakeholders, including our employees and contractors.

In 2015, the highest ranked Material Aspects generally fell into four categories: Health and Safety; Employment and Labour Practices; Environmental Management; and Community Development. By focusing on these and other identified Aspects, we are better positioned to understand the impacts of our activities, both inside and outside our operating boundaries, and to manage and mitigate these impacts in a safe and responsible manner.

Top 10 Material Aspects

1. Occupational Health and Safety
2. Water Extracted, Used, and Recycled
3. Employment
4. Biodiversity
5. Wastewater, Solid Waste, and Spills
6. Competitive Salaries and Local Employment
7. Local Communities
8. Energy Use and Intensity
9. Air Emissions and Greenhouse Gases
10. Training and Education

To see our full Materiality Assessment, visit our 2015 Sustainability Report website.

Sustainability Management

Sustainability management is often defined as a commitment to integrate social and environmental considerations into economic endeavours. A more robust definition is how companies adapt to social change, meet environmental challenges and align their corporate objectives with the priorities and interests of stakeholders.

Pan American Silver has a 21-year history of addressing sustainability issues based on industry best practices that have evolved over time. In recent years, we recognized the need to develop a formal framework to integrate our sustainability principles and policies throughout our business. We designed and implemented a new stakeholder

engagement process to identify the issues of greatest importance to our communities of interest. The responses were translated into a materiality assessment that allows us to better define our sustainability goals and priorities.

The Peruvian-Canadian Chamber of Commerce awarded Pan American Silver the “Business of the Year 2015” award for our contributions to sustainable development through our UQLLU/ Alpaca de los Andes weaving project.

The assessment confirmed that occupational health and safety is a top priority for our employees and contractors. We learned that competitive salaries matter to people everywhere, along with non-discriminatory practices in the workplace. The environment and community development have always been important concerns, but consultation has pinpointed specific aspects that will help us be more responsive to communities affected by our operations.

Stakeholder feedback has allowed us to design and optimize our sustainability strategy to support our business goals, manage and mitigate impacts and risks, and maintain a balance between economic success, environmental protection and social responsibility.



\$93.7 M

spent in local communities



Our Operations

The mining industry has faced complex challenges and pressures in recent years due to the downturn in commodity markets and the global economy. Pan American has a reputation of overcoming industry challenges and finding opportunities to create value for shareholders and other stakeholders. In 2015, we demonstrated our ability to reduce costs as we continued to mechanize our underground mines Huaron and Morococha and expand our long-term assets, notably La Colorada and Dolores in Mexico. These timely initiatives will improve our production performance and ensure that we are the best positioned silver producer in the industry when markets improve.

Overall, 2015 was a good year, with record gold and silver production and positive cash flow from operations. It was also a challenging year, with five fatalities that led to ongoing initiatives to improve our safety performance everywhere we operate. We are also working to ensure the long-term sustainability of our business, as our mines must be financially robust if we are to create value and generate benefits for employees, communities and other stakeholders.



93%

of water used in our Mexican operations was recycled

ZERO

Significant Environmental Incidents occurred at our operations



1,978

children received medical attention through local health facilities and campaigns



Goals Scorecard

For the first time, this year we are providing more specific information for stakeholders regarding our sustainability goals. The table below outlines those goals going forward and future reports will give feedback on progress towards achievement.

Sustainability Strategy & Governance

Improve sustainability information available to our stakeholders through sustainability reporting
Improve our engagement with stakeholders on sustainability issues

Health & Safety

Achieve zero fatalities
Achieve a lost time injury frequency (LTIF) of 1.60 or less
Achieve a lost time injury severity (LTIS) of 750 or less

Labour

Provide training for employees in leadership, safety, and mentoring.
Ensure that the lowest paid Pan American employee is above the livable wage in their region

Economic

Produce between 24.0 and 25.0 million ounces of silver
Produce between 175,000 and 185,000 ounces of gold
Keep cash costs in the range of \$9.45 to \$10.45 per ounce of silver
Complete La Colorada and Dolores expansions on schedule and budget
Foster local procurement practices across operations

Communities

Implement a social grievance mechanism program
Advance the implementation of the Community Development Initiative (CDI) toolkit
Conduct social reviews at Dolores and Manantial Espejo mines
Complete a successful finalization and transition of Project Access in Bolivia to the local communities
Develop systems to measure and track social impact
Continue looking for opportunities to create meaningful partnerships

Environment

Achieve zero significant environmental incidents
Maximize opportunities to reduce energy use and improve energy efficiency to reduce costs and greenhouse gas emission intensity
Identify water conservation opportunities at our operations
Continue to restore and revegetate habitats for biodiversity conservation
Improve solid waste management and recycling at our operations
Continue to improve environmental management systems

63

schools supported through teachers, infrastructure, materials, and scholarships



Communities and Social Responsibility

Pan American Silver defines Corporate Social Responsibility as “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve the quality of life, in ways that are both good for business and good for development.” Our approach to social development is based on our belief that we can be a force for positive change in the communities where we operate.

Our commitment to sustainability is an ongoing journey, as we face the challenge of operating seven mines in four countries, with some mines in the expansion phase and others nearing closure. Some of our operations are near communities that have basic services and amenities while others are in remote, sparsely populated regions with little or no infrastructure. We also have almost 6,500 employees and contractors from a variety of cultural, social and educational backgrounds.

A central tenet of our CSR approach is building relationships and trust with communities and other stakeholders, including our mine employees, who are mainly from local communities and regions. This process begins with community engagement, as articulated by the following commitments of our CSR policy:

- meet or exceed industry standards for community engagement, adhering to the laws and regulations of the countries and regions where we operate; and
- endeavour to engage our communities in a timely, inclusive, honest, transparent and culturally appropriate way before undertaking significant activities and at appropriate stages throughout the life of a project.

We learned that a ‘one-size-fits-all’ approach to community engagement is not effective, as the countries and regions where our mines are situated are very different. We have had to conduct cultural due diligence and tailor our CSR approach to each mine.

Having a hands-on approach to community engagement helps us navigate cultural differences with sensitivity. We conduct workshops to educate community-based service providers about the non-negotiable safety and environmental standards that we require as a Canadian company, which are sometimes more stringent than local regulations. The Government of Canada expects Canadian companies to embody CSR best practices and operate to the highest ethical standards, as articulated in its enhanced CSR strategy, “Doing Business the Canadian Way” (www.international.gc.ca/csrstrategy). Community engagement is an important part of this strategy, as we want our employees and communities to see the realities of our industry so we can work together for mutual benefit.

Community engagement is an ongoing commitment throughout the mine life cycle. Our policy is to start consultations at the earliest possible stage of project planning and continue at appropriate stages through to mine closure.

Ongoing consultation is also important because community acceptance can never be taken for granted. Community trust must be earned every day, by every person on our team.



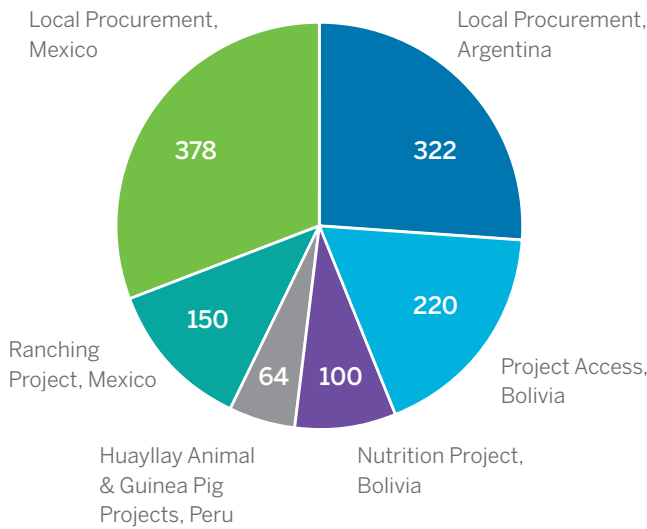
6,029

students attended
primary to tertiary
school through
our support

Sustainable Development Projects

Pan American has invested more than \$3.6 million over the last five years in sustainable social development projects focused on alternative economic opportunities not directly related to our mines. Highlights of the programs and projects in the nations where we operate are provided below.

Families Benefited by our Sustainable Development Projects



Pan American has started a new three-year program in the communities near our San Vicente mine. The **Nutrition Project** will promote the health benefits of natural foods and grains, where families will have the opportunity to grow their own produce in self-built greenhouses.

Uqllu — otherwise known as “Alpaca de los Andes” — is a sustainable development program to promote artisan weaving in communities near our Peruvian mines. The program has operated for more than 10 years, to provide artisans with the equipment, tools, supplies, training, support and safe working environments needed to create handmade woven products from the finest Alpaca fibres.

The **Huayllay Project** is an alpaca and sheep breeding project designed to assist 700 community members and their animals in the region surrounding the Huaron mine in the Pasco Region, Peru. This project is intended to improve

the health and vitality of local alpacas and sheep, including addressing congenital disorders largely due to the lack of new animals being introduced into the local herds.

The **Guinea Pig Project** in Peru is designed to benefit community members without access to arable land of sufficient size to support farming. Guinea pigs have been an important part of the Peruvian diet since ancient times and are still considered a delicacy. They are high in protein, inexpensive to breed, and well-suited for small business development.



1,234

families are benefited through our sustainable development projects

1,141

students were provided with school supplies through our support



2,500

women received medical attention through local health facilities and campaigns

To engage with all the graphs in this report interactively, visit our 2015 Sustainability Report website.

Our People

The past year was both rewarding and challenging for the human resources team at Pan American Silver. We made progress in our efforts to improve working and living conditions at our mines in Mexico and South America. Our compensation review confirmed that we are providing fair wages that exceed “liveable wage” calculations for each of our workplaces.

With our challenges in 2015, safety remains our top priority and we are conducting extensive training programs to integrate a culture of safety everywhere we operate. Financial and metal market uncertainty also continued in 2015, resulting in increased concerns about mine closures and job losses in our industry.

Pan American has a history of overcoming challenges and creating value through the leadership, the ingenuity and the hard work of our people. We believe having the right human resources is the key to safe, productive and responsible development of natural resources. We are investing in leadership training and development to ensure the long-term success of our business and the safety and well-being of our employees, contractors and communities where we operate.

Diversity, Inclusion and Human Rights

Feedback from six previous sustainability reports has helped us examine the strengths and weaknesses of our CSR strategy as perceived by stakeholders.

We want governments and our communities of interest to know that we abide by the laws established around human

rights in the countries where we operate. We respect the Universal Declaration of Human Rights (UN) and the Convention on the Rights of the Child (UNICEF).

We also want employees and unions to know that we respect workers’ rights, including rights of association and collective bargaining. Almost 50% of our employees are in unions and we work with union leaders to improve safety standards and working conditions at our operations.

Pan American is committed to becoming a more diversified and inclusive company. We embrace the diversity of our workforce and the communities where we operate.

Cultural diversity is important to us, as we have mines in four countries and senior managers at our operations from each of these nations. Most of our mine employees and supervisors live in or near the communities and regions where we operate.

For Pan American Silver, diversity includes but is not limited to race, age, gender, culture, socio-economic background, religious beliefs, and sexual orientation. We strive to achieve an inclusive work environment where all are treated fairly and respectfully, have equal access to resources and opportunities, and can contribute to the success of the organization.

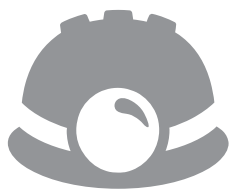
Through our policies and practices, we focus on promoting participation of diverse groups in our consultation processes, providing opportunities to work with our Company as employees, contractors or suppliers, or participate in our numerous social programs.



Health and Safety

Protecting the health and safety of employees, contractors and communities is our top priority and a cornerstone of our sustainability strategy. We have worked to integrate a culture of safety at each of our mines and projects through safety and leadership training and the implementation of safety policies and procedures. Our performance has improved continuously over the years and we are proud of our reputation as a safe and responsible operator.

Despite our steady progress, we are saddened to report that five fatalities occurred at four of our mines in 2015. We investigated these incidents thoroughly and met with our senior management and country managers to devise a Serious Incident Reduction Initiative. We will be carrying out extensive training as part of this initiative to strengthen



548,936
hours of safety training

our front-line supervisory capacity and implementing pledges and cardinal rules to improve health and safety for everyone, everywhere we operate. We also made changes to safety protocols and audits so standards and criteria are more consistent from mine to mine.

Our employees, contractors and other stakeholders overwhelmingly identified occupational health and safety as the most significant material issue for 2015. Along with a review of our safety performance in 2015 and goals for the year ahead, this section of the report will discuss industry initiatives and strategies aimed at reducing mining fatalities and serious accidents.



6,494
employees and contractors across our seven operations in four countries

Safety Performance

Our safety performance is measured in three ways: Lost Time Injury Frequency (LTIF); and Lost Time Injury Severity (LTIS) and number of fatalities. The targets set by the Board for 2015 were zero fatalities, a LTIF goal of 1.60 or lower, and a LTIS goal of 750 or lower. We reported 19 lost-time injuries including 5 fatal injuries in 2015, for a LTIF rate of 1.09, while the LTIS rate was 1,757. Our targets for 2016 are zero fatalities with LTIF and LTIS of 1.60 and 750, respectively.

We are committed to conducting increased amounts of training to strengthen our front-line supervisory capacity and improve our overall safety performance. We also made changes to safety protocols and audits so that standards and criteria are more consistent from mine to mine. In the past, we audited some mines annually and others every other year. Going forward, we will audit every mine at least once a year.

Safety Achievements

Despite a difficult year for serious accidents, we had positive results in overall safety indicators at many of our operations. Our Mexican mines achieved a cumulative total of 20 million hours without a Lost Time Injury and we are pleased to report that our La Colorada mine received the prestigious Silver Hard Hat (Casco de Plata) safety award in Mexico.

At our mature underground mines, we are improving our safety performance by continuing our efforts towards increased mechanization and implementing more modern mining methods and ground support systems.

Environmental Management

Pan American is dedicated to operating mines and developing projects in an environmentally responsible manner. To fulfil this pledge we have adopted a management system to guide environmental planning and performance, assembled in-house environmental expertise, and developed comprehensive strategies to manage and mitigate the impacts of our activities.

Our Environmental Policy sets the direction for how we address environmental issues throughout the mine life cycle. The foundation of our environmental strategy is the use of best practices, such as environmental baseline studies, mine audits and closure planning. Best practices in our industry are not static and evolve through a process of continuous improvement.

We are pleased that no Significant Environmental Incidents occurred at our operations in 2015, allowing us to maintain this record for a third year in a row. Stakeholder consultation has shown that environmental issues — notably biodiversity, water and waste management, air quality and energy use — are important to our employees and communities of interest. They are important to us as well, and this section of the report will discuss how we are addressing these and other environmental concerns to ensure our reputation as a safe and responsible operator.

We have a responsibility to minimize and mitigate the impacts of mining and maximize the restoration of land during progressive and final mine closure. We manage this process at our seven mines, each with its own unique environment, through all stages of the mine life cycle.

In addition to internal policies and procedures, we must comply with external laws and regulations set by governments and other authorities, which vary according to jurisdiction. Our activities also are closely scrutinized by non-governmental organizations.

Our Environmental Policy was largely developed at our mines and has been updated over the years with input from our country managers, mine managers and supervisors. They are responsible for implementing the policy everywhere we operate and also train staff on specific actions and practices, such as efficient energy use and recycling.

Another element of environmental management is our audit program, which requires every mine to be audited at least every two years. We use a cross-audit system where each mine is audited by a team of corporate staff and environmental managers from other Pan American mines on a continually rotating schedule. This fosters integration between the mines and helps our teams understand our standards and values, and how they are applied in practice. The audit program has shown consistent improvement in environmental management at our mines since 2012.

The foundation of our environmental strategy is the use of best practices, such as environmental baseline studies, mine audits and closure planning.



Water Stewardship and Energy Efficiency

We are aware of the importance of water as some of our mines and projects are situated in predominantly arid regions of Mexico and South America. We recognize that reducing energy use and greenhouse gas (GHG) emissions provides environmental benefits as well as cost savings. We pay close attention to water and energy issues as the potential impacts can occur outside our organization and beyond our operating boundaries.

We strive to reduce energy intensity and GHG emissions in many ways, such as connecting our operations to more efficient grid power, upgrading and expanding operations to improve production efficiency, training new staff on energy efficiency in the workplace, and the use of videoconferencing and decentralization to reduce long-distance travel.

We rely on the use of best practices in environmental impact assessment, notably detailed environmental baseline studies, which describe in detail the natural environment of a mine project. These studies take place before any development and are used to check the results of environmental monitoring during mine operation to assess potential impacts.

Biodiversity and Mine Closure Planning

We are actively implementing progressive closure plans at both the Alamo Dorado and Manantial Espejo mines that cover physical, environmental and social aspects.

Physical and environmental closure plans for Alamo Dorado and Manantial Espejo have been approved by the relevant authorities. We are also working with our employees and local communities to address social aspects including managing expectations so communities can develop alternative land-use options after mine closure.

We also conduct ongoing monitoring of biodiversity at our mines and in many cases, such as Manantial Espejo, have seen improvements of baseline conditions by protecting natural areas from overgrazing during mine operations.

We have revegetated significant amount of land using local plants at Manantial Espejo, including more than six hectares to reclaim a former waste dump. A similar process is taking place at Alamo Dorado and on a smaller scale at our other mines.



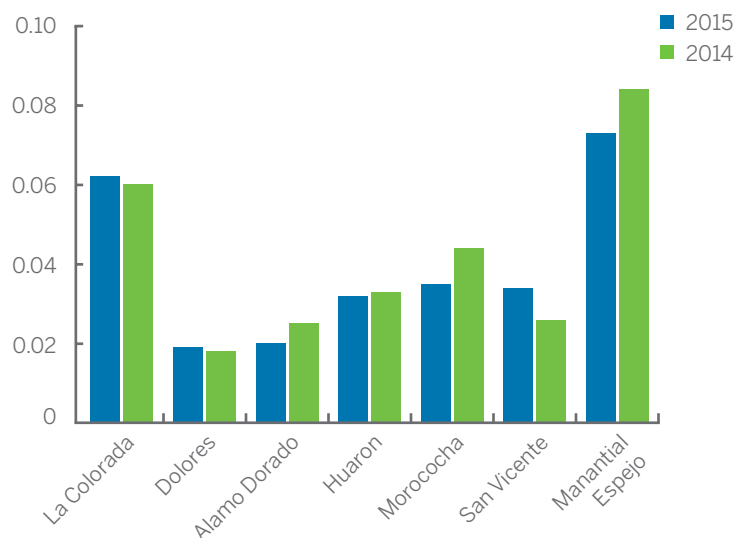
Water Use Intensity

(m³/tonne ore processed)

	2014	2015
La Colorada	0.39	0.13
Dolores	0.05	0.02
Alamo Dorado	0.21	0.23
Huaron	3.54	3.58
Morococha	3.69	3.92
San Vicente	0.60	0.49
Manantial Espejo	0.65	0.35

GHG Intensity

(tonne CO₂/tonne ore processed)



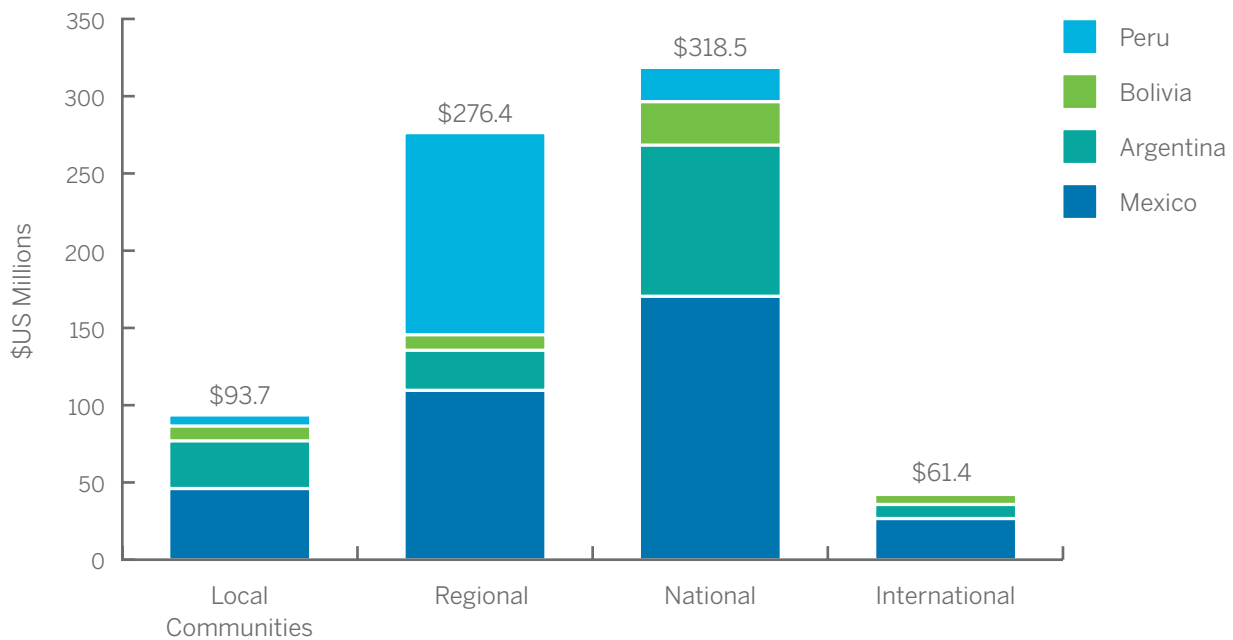
Local Expenditures

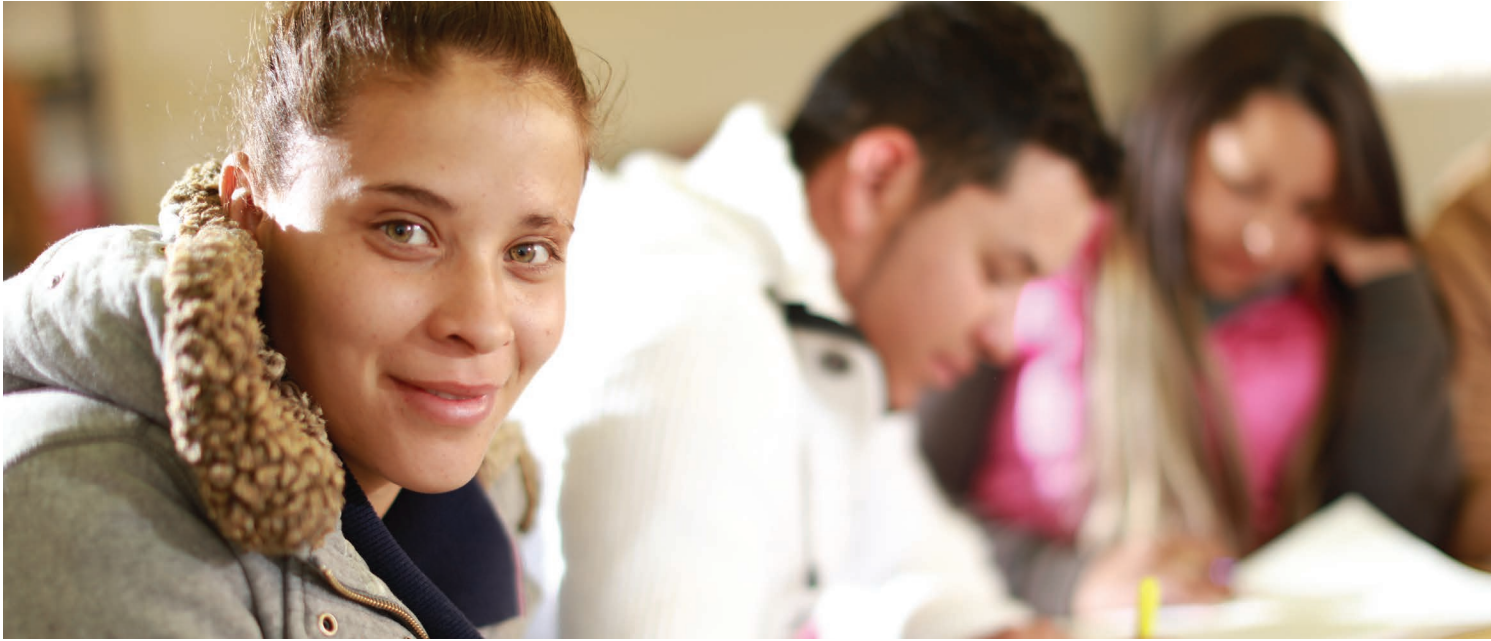
Revenues from our mining activities play a key role in driving economic development and although silver is a finite resource, we believe that our mines can create tremendous social and economic benefits that persist beyond the life of the mine.

We continued to make significant contributions to the local economies in every one of our host communities during 2015, in spite of very challenging market conditions. In addition to the sums that we pay in salaries, taxes and other fees, we maintain an established practice of supporting local economies through our supply chain and the use of local providers of goods and services, whenever it is possible and practical. We work closely with local communities to support their capacity to actively participate in the supply chain we need for our operations, and to help them develop self-sustaining economies. We continually strive to instill our core values of sustainable development in all of our supply chain partners.

In previous years we reported our spending broken down into three geographical categories; “local”, “national”, and “international”. In 2014, we expanded the reporting to add the additional geographical category of “regional”. The introduction of this additional geographical category is intended to reflect expenditures that are outside of the local communities surrounding the mines; a larger geographical area which includes entire provinces or states where the mines are located and where significant economic and social influence exists. We defined “regional” on a mine-by-mine basis by assessing the specific social and economic circumstances and influences of each of the mines, whereas local reflects only expenditures in communities directly related to the mine. The national category includes all other areas within each of the countries that are excluded from either local or regional.

Spending by Region





As we did in prior years we focused on four main cost items: wages, supplies and services, taxes, and royalties. These cost items are comprised of the following income and cash flow statement line items: production costs, royalties, general and administrative, exploration and project development, income taxes paid and payments for

mineral properties, plant and equipment.

The sum of the aforementioned costs added up to \$750 million of total spending in 2015 (2014: \$792.1 million).

The contribution to local communities continued to be significant in 2015; 12% of the total spending, compared to 15% in 2014.

An additional 37%

of our total spending occurred within the regional area of our mines, bringing the spending in local and regional economies to almost half of total expenditures in 2015.

In addition to the sums that we pay in salaries, taxes and other fees, we maintain an established practice of supporting local economies through our supply chain and the use of local providers of goods and services

Importantly, of the \$750 million total spending in 2015, 92% (2014 – 90%) was spent within the same countries where the operations are located. In the coming years, we hope to continue to strengthen the benefits to local economies by helping viable businesses to grow and improving the supply chain, so that an increasing proportion of our expenditures can continue to be destined to local and regional businesses so long as it also improves the efficiency of our business. We believe that strong relationships within our communities, and helping local entrepreneurs grow along with us, will increase value for all of our stakeholders. This approach has been, and will continue to be, an integral part of Pan American Silver's success.



\$156 M

paid in wages
in Latin America



\$502.3 M

paid for supplies and
services in Latin America

Please visit our 2015 Sustainability Report website at:

www.panamericansilver.com/sustainabilityreport2015

Please do not hesitate to contact us; we welcome any and all feedback. Please direct any questions regarding this report to Matt Andrews, Vice President of Environment and Sustainability, or Monica Moretto, Senior Manager of Sustainability: csr@panamericansilver.com

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Forward-Looking Statements and Information

This document contains “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, and “forward-looking information” within the meaning of applicable Canadian provincial securities laws. All statements, other than statements of historical fact, are forward-looking statements or forward-looking information, including, but not limited to, those relating to future goals for production, cash costs and safety. These statements reflect the current views of Pan American Silver Corp. (the “Company”) with respect to future events and are necessarily based upon a number of assumptions (among other things for example, prices for materials and labour, and that there are no unplanned delays to the production schedule) that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. Forward-looking statements and information involve many known and unknown risks, uncertainties and other factors that could cause actual results or performance to be materially different from the results or performance that are or may be expressed or implied by such forward-looking statements or information, including, but not limited to, factors such as: metal price fluctuations, fluctuation in the costs of energy, labour, materials and other inputs, fluctuations in currency markets and exchange rates, operational risks and hazards inherent with the business of mining (including, for example, environmental accidents, safety hazards, equipment breakdown, and natural disasters), changes in laws, and those factors identified under the heading “Risks Related to Pan American’s Business” in the Company’s most recent Form 40-F and Annual Information Form filed with the U.S. Securities and Exchange Commission and with Canadian provincial securities regulatory authorities, respectively. The Company has attempted to identify important factors, but there may be other factors that cause results not to be as anticipated, estimated, intended or described. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements and information. The Company does not intend, nor assume, any obligation to update or revise forward-looking statements and information except to the extent required by applicable law.

