



PAN AMERICAN  
— SILVER —

2016

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SUSTAINABILITY  
REPORT

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EXECUTIVE SUMMARY

**At Pan American Silver, we believe that sustainability is the process of integrating economic, environmental and social considerations into the development of natural resources. Sustainable development is a core value for us and part of our Company's vision statement. In practical terms this means that our corporate strategy includes evaluating all internal and external sustainability aspects of our business in an attempt to maximize environmental, social and economic benefit for stakeholders and society.**

## ABOUT PAN AMERICAN SILVER

Pan American Silver Corp. is a Canadian public company focused on silver mining in the Americas. We are based in Vancouver, British Columbia, and our common shares are listed on the Toronto Stock Exchange and NASDAQ under the trading symbol PAAS.

Founded in 1994, we have grown over the years from an exploration company with a single operating mine into one of the world's largest primary silver producers. We own and operate seven mines in Mexico, Peru, Bolivia and Argentina, and manage a portfolio of high-quality exploration and development assets.

In recent years, we have focused on expanding, modernizing, and improving the productivity of our mines in order to secure our future as a low-cost producer with strong growth prospects. In 2016 we substantially completed a major expansion

of our La Colorada mine and continued an expansion of our Dolores mine, both in Mexico.

We also strengthened our commitment to sustainability by developing policies and processes to integrate environmental and social considerations into every aspect of our business.

Sustainability is a dynamic process that helps us create prosperity for shareholders, stakeholders and society. It defines our commitment to operate in an environmentally responsible manner, motivates us to protect the health and safety of our more than 6,600 employees and contractors, and inspires us to be a force for positive social change in the communities and nations where we operate.

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**\$6.2 M**

invested in CSR programs in 2016

**86%**

of water used in our Mexican operations was recycled





# About This Report

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For the past seven years, we have released annual sustainability reports to share how we address sustainable development in the context of our business. Our reports are intended to communicate our vision of sustainability, disclose how we manage environmental, workplace and social issues, and demonstrate our progress toward sustainability goals and initiatives. They allow us and our stakeholders to benchmark our performance against industry peers.

We consult with stakeholders, including employees, on an annual basis to identify the topics that are most material to them. The responses are then translated into a materiality assessment, which helps us define the key sustainability aspects of our business and respond appropriately. This report describes our management approach to the material topics in the context of our overall sustainability and business strategy.

## A MESSAGE FROM...

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**ROSS BEATY**, *Chairman*



The hallmark of a great company is a company that rewards its shareholders because it also looks after its employees, contractors, environment, communities and countries where it works. I am so very proud of our team and our achievements in the spheres of community engagement, sustainable development and worker safety, but we must continually strive to improve. If we succeed at this we will maintain our stellar reputation and continue to be a company that new investors will want to buy, new employees will want to work for, and people in new locations will welcome us to work in.

**MICHAEL STEINMANN**, *President & CEO*



Pan American had an exceptional year in 2016, which is a reflection of our hard work to make our mines more productive, cost-efficient and sustainable over the long-term. The health and safety of our teams, environmental stewardship, and corporate social responsibility are central to our company vision and we are pleased to report continual improvement on all fronts in 2016. We achieved the best health and safety performance record in the company's history, had no significant environmental incidents, and achieved program goals in CSR across the company.

# Sustainability Management

Sustainability management is defined as the integration of environmental, social and economic considerations into business practices. Pan American Silver has a more than 20-year history of applying the principles of sustainable development and corporate

social responsibility (CSR) using policies and best practices that have evolved over time.

In recent years, we have focused on developing a structured framework to integrate sustainability principles and practices throughout our business. In addition to applying globally recognized CSR resources, we developed internal policies and CSR tools to manage our business in an environmentally and socially responsible

manner. We strengthened our stakeholder engagement process to identify the issues of greatest importance to our stakeholders, including our employees and contractors. The responses are translated into materiality assessments that help us analyze the impacts of our activities and where they occur, so we can respond appropriately and align our

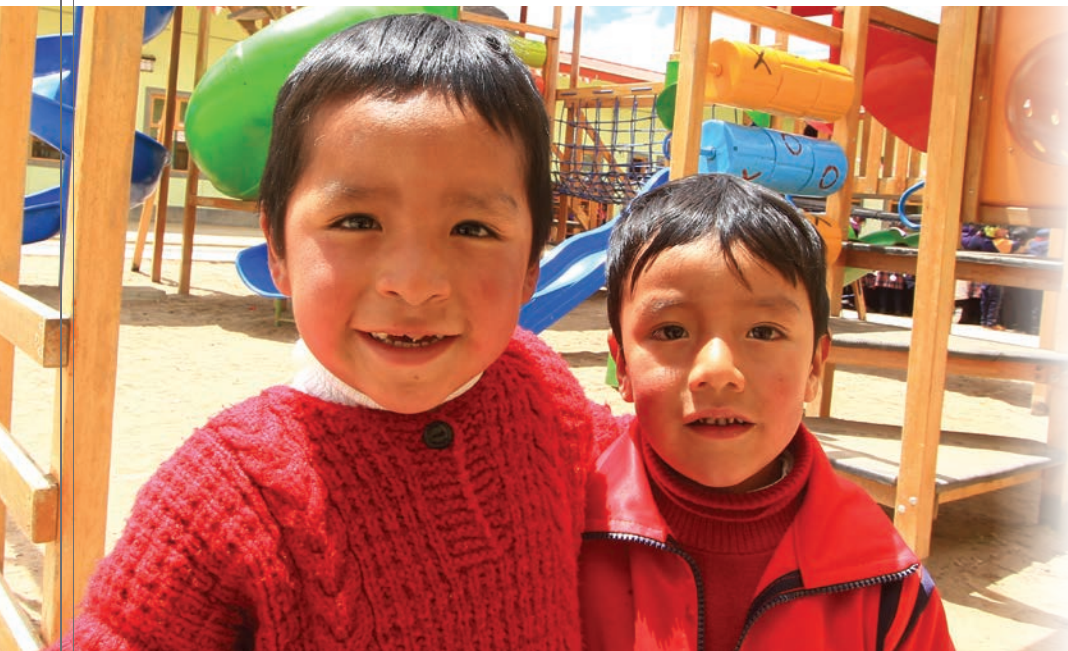
corporate plans and future goals with the priorities and interests of stakeholders.

Our strategy for sustainability management is set by the Board of Directors, which also provides guidance on the policy framework for sustainability. The implementation of sustainable practices is the responsibility of senior officers and managers with specialized mandates, such as mine operations, environment, health and safety or community relations.

In 2016 the Board led our decision to become members of the Mining Association of Canada (MAC) and participate in its Towards Sustainable Mining (TSM) Program. Over the next three years, we will work to align our existing management frameworks with the TSM guiding principles and protocols to achieve at least A level reporting. The TSM protocols and frameworks cover issues such as community outreach, energy and greenhouse gas emissions, tailings, biodiversity, safety and health, crisis management, mine closure, and water stewardship.

Stakeholder engagement and materiality assessments are essential cornerstones of sustainability management and help us improve our sustainability planning, performance and reporting.

Sustainability is no longer a matter of managing environmental, social and economic issues as they arise; it is the process of integrating and balancing these aspects into a comprehensive sustainability management system that is effective, proactive and inclusive.



More than

**830**

families are benefited through our sustainable development projects

# Stakeholder Engagement & Materiality

Stakeholder consultation is a deeply entrenched practice at Pan American as our business is in many ways dependent on establishing relationships with governments, local communities and other stakeholders that interact with our operations. We engage stakeholders before starting work programs and continue to consult throughout the mine life cycle.

In recent years we have strengthened our stakeholder process by taking a more structured and strategic approach so that we can sustain constructive relationships with stakeholders. We carried out stakeholder mapping to identify a broad range of stakeholders from governments, academia, civil society and industry associations, in addition to employees, contractors, and local communities. We developed tools and resources to support more effective engagement processes, measure their effectiveness, and help us understand and manage stakeholder expectations.

Open and honest dialogue with stakeholders, including our employees and contractors, allows us to determine which issues or topics are the most important to them. To facilitate

the process, we sent out questionnaires to stakeholders in Canada, Mexico, Peru, Argentina and Bolivia, augmenting the direct feedback obtained from our teams on the ground.

Materiality assessments help us define and analyze the impacts of our business on stakeholders and enable us to set goals and priorities for our sustainability strategy.

The collected responses from our stakeholder engagement were incorporated into a materiality assessment to identify the topics considered most critical for sustainability reporting. The top ten material topics of 2016 are shown below and all topics are included in the full materiality graph which can be found on our online 2016 Sustainability Report website.

## TOP 10 MATERIAL ASPECTS

1. Health and Safety
2. Employment
3. Local Communities
4. Training and Education
5. Economic Performance
6. Community Development and Infrastructure
7. Emergency Preparedness
8. Competitive Salaries and Local Employment
9. Water Stewardship
10. Investment in Alternative Economic Opportunities & Activities



**489**  
people responded  
to our annual  
stakeholder  
consultation

**\$148 M**

paid in wages  
in Latin America



To see our full Materiality Assessment, visit our 2016 Sustainability Report website.



# Operations: Sustaining Our Business

## STEVE BUSBY, *Chief Operating Officer*

Looking back over my almost 14 year career with Pan American, 2016 was by far our strongest year in sustainability. We had our best safety performance with the lowest annual lost-time accident frequency ever achieved by Pan American, although regrettably we did incur one fatality. We also received the greatest level of support from our employees, unions, governments, communities, suppliers and shareholders. This is particularly gratifying as we look back at the many challenges we endured with stakeholders during the “super cycle” years, despite high silver prices and greater profitability.

What made 2016 so different? One important reason is that we have matured as an organization into a strong cohesive team that can execute our business extremely well. We run a decentralized organization, yet people in different functions have found ways to work together effectively as a team without the bureaucratic barriers often seen in large companies. Our decentralized approach to decision-making has enhanced our ability

to overcome challenges and achieve goals while building positive relationships with local communities, suppliers and other stakeholders. The delegation of authority, responsibility and accountability enables our company to be more efficient, and I believe, fosters a deeper commitment to achieving our goals.

Our Board and senior executives set the direction for our operating strategy based on the core values and guiding principles of sustainability. They also provide appropriate oversight to ensure that we comply with industry standards and the laws and regulations of our host nations.

To maintain a sustainable business we must continue to do things right and manage our assets to create long-term value for shareholders and other stakeholders. In 2016, we continued our focus on modernizing and expanding some of our mines to offset production declines at others that are nearing closure. This approach has helped Pan American become a low-cost producer with future potential for strong production growth and further cost reductions.



**25.4**

million silver ounces produced

**41**

communities in five countries benefit from our CSR programs



# United Nations Sustainable Development Goals

Pan American is committed to the principles of sustainable development and corporate social responsibility as a pathway to human progress. We believe we can contribute to positive change by conducting our activities in an environmentally responsible manner and contributing to the prosperity of the communities and nations where we operate.

Along with thousands of other companies, we are assessing how our activities can help shift the world onto a sustainable path as envisioned by the United Nations' 17 Sustainable Development Goals (SDGs). Launched in 2015, the SDGs collectively create an agenda to transform the world by overcoming barriers to economic, social and environmental progress by 2030.

The 17 SDGs are ambitious and follow a model based on people, planet, prosperity, peace and partnership. Achieving the 17 goals by 2030 will require the cooperation of governments, non-governmental organizations, the private sector, and civil society.

Pan American supports many of the values that are essential to advancing the SDGs and the 2030 agenda. We believe our industry has enormous potential to drive future progress as mines are often situated in remote and under-developed regions where achievement of the SDGs can have large and lasting impacts. Pan American is helping to bring positive change through each of the 17 SDGs.



The economic development generated by our business reduces poverty in remote areas of Latin America.



We conduct extensive safety training to ensure all employees and contractors adhere to our safety pledge and cardinal rules.



We supported 43 schools near our mines through infrastructure improvements, materials and scholarships.



Women are an important and growing part of our workforce. Diversity, including gender equality, is one of our key corporate values.



We invested over \$3.5 million in 2016 to increase the efficiency of our waste-water treatment systems.



We invested \$6.2 million in CSR programs to benefit local communities in 2016, with emphasis on health and education for women and children.



We have had no significant environmental incidents at our mines for the last four years. We conduct environmental impact assessments.



We work with governments, civil society and community partners to share resources and align our sustainability strategy and CSR programs with the UN SDGs.

To read our commitment to all of the United Nation's Sustainable Development Goals, please visit our 2016 Sustainability Report Website.

# Communities and Social Responsibility

Community engagement and social development programs are deeply entrenched elements of Pan American's sustainability strategy. In the early years we focused on building in-house capacity and processes to ensure that our mines contribute to the economic and social well-being of local communities. We have since strengthened our management framework by adopting formal policies, procedures and industry best practices to address the impacts of our activities in the wider context of sustainability.

Our approach to social development is defined by our corporate social responsibility policy and its overarching commitment to operate mines and develop projects in harmony with local communities.

A central tenet of our CSR Policy is to engage local communities in a timely, inclusive, honest, transparent and culturally appropriate way throughout the mine life cycle. We conduct annual stakeholder surveys and hold face-to-face meetings in communities near our mines to facilitate this process. Their feedback allows us to identify and manage the positive and negative impacts of our activities and also understand the needs and expectations of local communities.

We train our local teams on new procedures to manage potential impacts and ensure that our social development programs are aligned

with community needs and aspirations. Our goal is to have a consistent methodology to measure and track social impact and our CSR performance between mines, yet still have the flexibility to tailor our approach to the different circumstances of each operation.

We also conduct workshops to educate employees and community-based service providers about the high ethical, safety, environmental, and CSR standards we expect across the company. In late 2016, we joined MAC and are working toward meeting the requirements of its TSM program. The TSM reporting framework is composed of various protocols, one of which being aboriginal and community outreach. We are participating directly in MAC's International Social Responsibility Committee.

Another important resource is our Community Development Initiative toolkit, which serves as a benchmark to determine when and what type of social development programs are a good fit for us and local communities. We also conduct social reviews of all mines — each mine is audited every other year — to identify areas of improvement in our community work.

**“**  
A central tenet of our CSR Policy is to engage local communities in a timely, inclusive, honest, transparent and culturally appropriate way throughout the mine life cycle.  
**”**



**62**

teachers are supported through supplemented wages, housing and living expenses



**11,918**

people received medical attention through local health facilities and campaigns



**5,040**

students attended primary to tertiary school through our support



# CSR Programs & Projects

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## PERU

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Our social programs in Peru focused on health, education and sustainable economic development in communities near our Huaron and Morococha mines.

Our education programs include scholarships for university students, supplementing wages and training for teachers, summer camps for children, and career counselling for secondary students. Our health programs are broad in scope and include workshops on family behaviour, nutrition and breastfeeding programs in line with UNICEF standards and a broader array of gender and children's issues.

## BOLIVIA

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The region around our San Vicente mine is among the poorest in South America and our main CSR programs are focused on sustainable development to address the lack of formal infrastructure and provision of basic needs. We provide health checkups for children, an annual dental campaign, and provide medical care as needed to patients in the 11 communities near San Vicente that have limited or no access to health care. We are also helping women develop hygiene, nutrition and household skills based on the successful model established in Peru.

## MEXICO

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In Mexico, our community programs focus on health, education, local procurement and business management. We have provided training to local companies on health and safety, financial and business management, and anti-corruption practices, and we facilitated the growth of 15 local companies, many of which now operate beyond the local area of our mines.

We also provide funds for doctors and health-care practitioners in several communities near our mines, with particular emphasis on services to young children and women.

## ARGENTINA

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Our 2016 CSR program at Manantial Espejo focused on updating the social baseline in order to develop a detailed social closure plan, providing training to existing local businesses, and establishing a social closure fund which will be financed through payments over the remaining life of the mine. Exploration success and changes to the national mining framework in Argentina have extended the life of Manantial Espejo, and satellite deposits, like the recently acquired Joaquin project, may extend processing even further. We are reviewing the social closure plan and strategy to adapt to changing production schedules.



# Our People

An important part of our sustainability strategy is leadership and management training. We have identified 250 leaders and managers from diverse backgrounds within our organization who we believe will drive the Company's future success. In 2016, we completed our leadership development program with 25 managers from throughout the company, and will continue this program in 2017.

As part of our CSR strategy, we are committed to providing competitive wages to all employees. The mining sector is among the highest-paying in each of the countries where we operate. We recognize that we must develop competitive compensations and benefits programs to attract skilled and motivated employees. We are also continuing to improve working and living conditions at our mines, particularly those where employees live in on-site camps or with their families in remote areas with limited government infrastructure and social services. The investments we make in these areas are based on needs identified in our social review process.

Cultural diversity is important to us, as we have mines in four different countries and local management teams. We embrace the diversity of our workforce and the communities 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 everyone is treated fairly and respectfully, has 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.



People are Pan American's most important asset. We consider our employees and contractors as partners in sustainability as they play a central role in the value creation process for stakeholders. They provide the intelligence, the ideas and the energy that drive our operating and financial performance and inspire our continued progress in corporate social responsibility.





# Health and Safety

Pan American is deeply committed to protecting the health, safety and well-being of our employees, contractors, suppliers and community partners everywhere we operate. We believe that operating safe mines and building a culture of safety are directly related to our operational success and ability to create long-term value for stakeholders and society.

Occupational health and safety was the top material topic identified in 2016, followed closely by education and training. Safety is a material topic for our industry because mining by its nature has potential hazards that must be carefully managed. On a daily basis, our employees and contractors are engaged in safely supporting freshly blasted rock, operating heavy machinery, using explosives and chemicals, working with high voltage electricity, ventilating gases, working at heights, working with high temperature materials as well as a many other complex and potentially dangerous tasks. We are committed to providing our employees and contractors with the training and tools that they need to work safely and have

developed policies, procedures and a strong management system to help us achieve and maintain this goal.

Statistically, our safety performance for 2016 was excellent. In fact, it was the best in Pan American's history with the lowest lost time injury frequency and lowest total number of lost time injuries that we have recorded. Unfortunately this performance was overshadowed by a fatality that occurred late in the year. We continually provide training programs at all of our mines so everyone understands that safety is a shared responsibility.

As part of our Serious Incident Reduction Initiative, we have implemented our "Silver Safety Pledge" and "Silver Cardinal Rules" throughout the organization and incorporated them into our induction training and safety talks. The first three pledges set the tone for this initiative. Employees pledge to be responsible for their own safety and the safety of those around them, to remember that accidents are preventable, and to follow company rules, regulations, policies and procedures, among other commitments.



**99%**

of our mine employees are from local communities and regions



**555,860**

hours of safety training



**6,659**

employees and contractors across our seven operations in four countries



# Environmental Management

Responsible environmental management is a cornerstone of Pan American's sustainability strategy and vision to be the world's pre-eminent silver producer. As part of our commitment to sustainability, we have developed policies, procedures and practices to guide environmental planning and performance throughout the entire mine life cycle. Our goal is to maximize the positive economic and social benefits of our activities and avoid, minimize and mitigate potential impacts to the environment and society.

Our Environmental Policy expresses specific commitments to address environmental issues, including: compliance with environmental standards, laws and regulations; efficient use of water, energy and other natural resources; and utilizing effective and proven practices that minimize environmental impacts.

An important element of the Environmental Policy is a commitment to train our employees on the importance of environmental matters and promote their participation in environmental management. Knowledge sharing is enhanced by our corporate environmental audit system, whereby each mine is audited by a team from our other mines on a continually rotating schedule. This fosters integration between mines and ensures that procedures and guidelines are consistent with our corporate guidelines everywhere we operate.

We also benefit from open and transparent communication with our communities of interest on environmental matters, as mandated by our Environmental Policy. Their input has allowed us to define material topics and develop corporate guidelines on each topic in order to ensure best-practice environmental management.

## ZERO

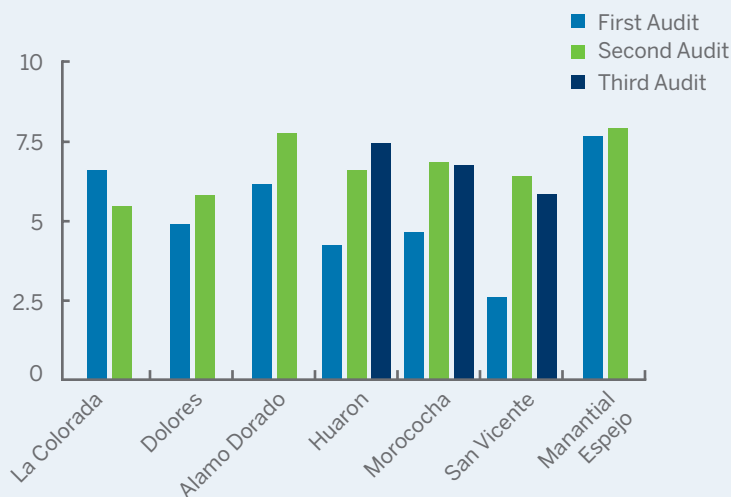
Significant Environmental Incidents occurred at our operations



## WATER USE AND MANAGEMENT

The use, extraction and recycling of water was one of the top 10 material topics in 2016. We recognize that water is a resource of high environmental and social value to stakeholders, as our mines and projects are situated in predominantly arid areas. A comprehensive approach to water stewardship is essential to protect shared resources and avoid impacts that may occur within and beyond our operating boundaries. The baseline studies we conduct frequently help identify previously unknown water resources or infrastructure opportunities that improve water availability for all stakeholders.

## ENVIRONMENTAL AUDIT PERFORMANCE\*



\*Audit Performance is shown as a weighted score scaled out of 10, where 10 is a perfect score of zero non-conformances.

## AIR EMISSIONS AND ENERGY

Reducing greenhouse gas (GHG) emissions and energy-use intensity are priorities for Pan American, as they provide cost savings and environmental benefits within and beyond our operating boundaries. We made substantial progress in this area in 2016 by moving to cleaner grid power from onsite power generation as part of our Mexican mine expansions.

The Dolores expansion includes a new power line to facilitate the transition to grid power from diesel generators, thereby improving air quality and reducing GHG emissions. The new line connecting the mine to the national grid was completed and energized in 2016. We estimate that the new powerline will reduce the mine's annual electricity GHG emission intensity by at least 25% compared to diesel generated power.

A new 115 kV power line at La Colorada will supplement the existing power supply and avoid GHG-intensive on-site power generation.

## MINE CLOSURE

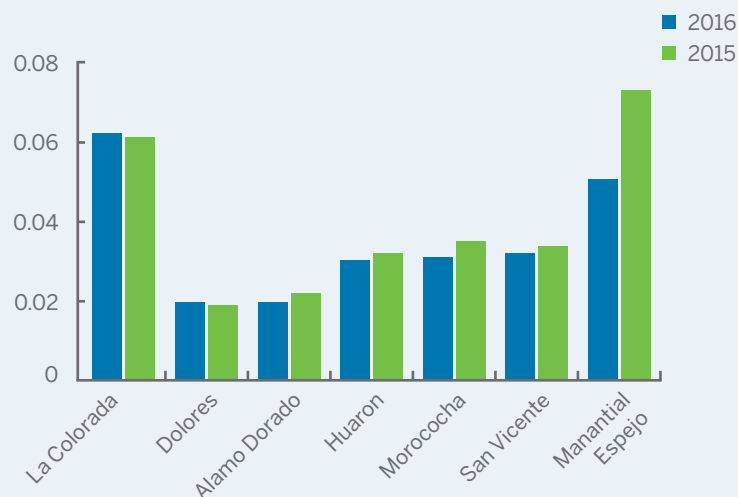
Mines have finite lives and our goal is to make the transition from operations to closure as efficient as possible by starting the planning process early. An essential part of this process is consultation with local communities and other stakeholders to ensure that their closure and post-closure views, concerns and aspirations are considered.

We have developed conceptual closure plans for all our mines, which include measures to protect biodiversity by using native plant species identified during baseline studies for re-vegetation work. This may require relocating plants from areas to be mined to greenhouses so they can be transplanted in the closure phase, and protecting natural areas from overgrazing.

In 2016, we began implementing the largest mine closure program in our history as the Alamo Dorado mine reached the end of the open pit mining phase. The mine will fully transition to reclamation in 2017, as processing of stockpiled inventory is completed.

## GHG INTENSITY

(tonne CO<sub>2</sub>/tonne ore processed)



## TAILINGS FACILITY MANAGEMENT

The design and management of mine infrastructure, particularly tailings management facilities, is a priority for stakeholders, the general public, and the global mining industry. Since 2014, we have reviewed our tailings management facilities to ensure they are safe and compliant with globally accepted standards. From 2014 to 2016, our review work focused on Huaron, which is our highest consequence facility by virtue of its size and location. Our internal review found the Huaron tailings facility to be safe and compliant with international best-practice guidelines. This conclusion was confirmed by independent experts after certain recommendations were implemented.

## WASTE MANAGEMENT AND RECYCLING

Our operations work to reduce the amount of waste produced through addressing generation at the source, reuse, and recycling. In 2016, La Colorada and Dolores waste generation was affected by the expansion projects but our remaining operations were successful in reducing overall generation of hazardous waste by 25% compared to 2015. We completed a draft internal waste management guideline and will work to further reduce our waste generation in 2017.

# Financial Management

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## **ROB DOYLE, Chief Financial Officer**

From a financial perspective, 2016 was an incredibly strong year for Pan American. After several challenging years of declining metal prices, which resulted in financial losses in 2013, 2014 and 2015, we generated the third highest earnings in our 22-year history with net earnings of \$104.7 million on revenue of \$774.8 million. Our silver production totalled 25.4 million ounces.

Our strong financial performance was achieved across our entire operating portfolio. Of particular note was the turnaround in the cost structure of our Argentine and Peruvian mines, and the positive impact of our mine expansion at La Colorada in Mexico. While higher precious and base metal prices benefited the bottom line, a great deal of credit for our improved financial performance belongs to the mine site management and technical teams for executing on productivity and cost initiatives.

La Colorada is now our largest silver producer and silver asset, and will be the backbone of our Company for years to come. In total, we committed capital expenditures of \$132 million to build a new sulphide plant, a new 618-metre deep shaft, the development of the underground mine, and a new power line. The project was substantially completed in the fall of 2016 - safely, under budget and ahead of schedule.

The \$112.4-million Dolores expansion, which made good progress during 2016, is designed to boost silver and gold production by 39% and 47%, respectively. The new pulp agglomeration plant is expected to be commissioned and the new underground mine should reach full production in 2017. Another significant achievement in 2016 was the completion of construction of a power line connecting Dolores to the national energy grid, which replaced the need for diesel-generated power. This is a high return, quick payback project, which will help to further drive down operating costs at the mine.

## **LOCAL EXPENDITURES**

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Our direct economic value generated and distributed (EVG&D) provides an indication of how we create wealth for stakeholders at the international, national, regional and community levels.

In 2016, our direct economic value generated totalled \$799.0 million, primarily from mine operating revenues of \$774.8 million, and also asset sales and gains on equity investments.

In 2016, the total economic value distributed was \$719.6 million, compared with \$750.0 million in 2015. This includes operating costs, employee wages and benefits, payments to capital providers, payments to governments, and community investments. Importantly, 89% of the total economic value distributed was allocated to the countries where our mines are located.

Our economic value retained was \$79.4 million in 2016, and was calculated by subtracting the

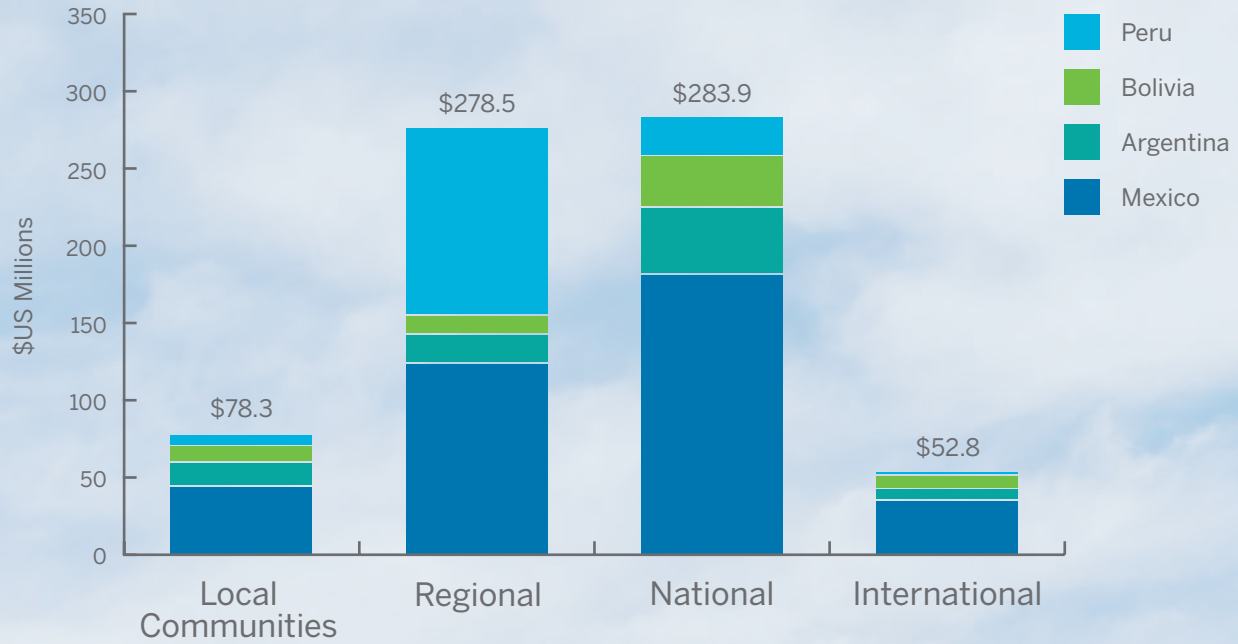
“economic value distributed” from the total “direct economic value generated.”

We report our spending broken down into four geographical categories; “local”, “regional”, “national”, and “international”. The “regional” category is intended to reflect expenditures that are outside of the local communities surrounding the mines but within larger geographical areas which include entire provinces or states and where there is significant economic and social influence from our mines. The national category includes all other areas within each of the countries that are excluded from either local or regional. Our reporting focuses on four main cost items: wages, supplies and services, taxes, and royalties.

The following chart shows the total EVG&D for the nations where we operate as well as the economic value distributed in each of these jurisdictions.



## SPENDING BY REGION





Please visit our 2016 Sustainability Report website at:

[www.panamericansilver.com/sustainabilityreport2016](http://www.panamericansilver.com/sustainabilityreport2016)

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, Director of Sustainability: [csr@panamericansilver.com](mailto:csr@panamericansilver.com)

#### 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, environmental management, including with respect to tailings facility management, successful completion and benefits of expansion projects, 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.



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