



PAN AMERICAN  
— SILVER —

# Q3 2016 Unaudited Results

November 15, 2016 – 10:00 am ET / 07:00 am PT



TSX: PAA | NASDAQ: PAAS

# Participants



Michael Steinmann  
President & CEO



Steve Busby  
COO



Rob Doyle  
CFO



Chris Emerson  
VP Geology &  
Business Dev.

# Cautionary Note

## Non-GAAP Measures

This presentation refers to various Non-GAAP measures, such as cash costs per payable ounce of silver, all-in sustaining cost per silver ounce sold and a djusted (loss) earnings. Readers should refer to the "Alternative Performance (Non-GAAP) Measures" section in Pan American Silver Corp.'s (the "Company") Management's Discussion and Analysis for the period ended June 30, 2016 available at [www.sedar.com](http://www.sedar.com).

## Reporting Currency and Financial Information

Unless we have specified otherwise, all references to dollar amounts or \$ are to United States dollars.

## Cautionary Note Regarding Forward Looking Statements and Information

Certain of the statements and information in this presentation constitute "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 information. Forward-looking statements or information in this presentation relate to, among other things: our estimated production of silver, gold and other metals in 2016; our estimated cash costs per payable ounce of silver and AISCOS in 2016; the ability of the Company to successfully complete any capital investment programs and projects, the schedule for any such completion, and the impacts of any such programs and projects on the Company; and any anticipated level of financial and operational success in 2016.

These statements and information reflect the Company's current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These assumptions include: tonnage of ore to be mined and processed; ore grades and recoveries; prices for silver, gold and base metals remaining as estimated; currency exchange rates remaining as estimated; capital, decommissioning and reclamation estimates; our mineral reserve and recourse estimates and the assumptions upon which they are based; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions at any of our operations; no un planned delays or interruptions in schedule d production; all necessary permits, licenses and regulatory approvals for our operations are received in a timely manner; and our ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

The Company cautions the reader that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this presentation and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in silver, gold and base metal prices; fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation); fluctuations in currency markets (such as the Canadian Dollar, Peruvian Sol, Mexican Peso, Argentine Peso and Bolivian Boliviano versus the U.S. Dollar); operational risks and hazards inherent with the business of mining (including environmental accidents and hazards, industrial accidents, equipment breakdown, unusual or unexpected geological or structural formations, cave-ins, flooding and severe weather); risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; employee relations; relationships with, and claims by, local communities and indigenous populations; our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government practices in the jurisdictions where we operate, including environmental, export and import laws and regulations; diminishing quantities or grades of mineral reserves as properties are mined; increased competition in the mining industry for equipment and qualified personnel; and those factors identified under the caption "Risks Related to Pan American's Business" in the Company's most recent form 40-F and Annual Information Form filed with the United States Securities and Exchange Commission and Canadian provincial securities regulatory authorities. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Investors are cautioned against undue reliance on forward-looking statements or information. Forward-looking statements and information are designed to help readers understand management's current views of our near and longer term prospects and may not be appropriate for other purposes. The Company does not intend, nor does it assume any obligation to update or revise forward-looking statements or information, whether as a result of new information, changes in assumptions, future events or otherwise, except to the extent required by applicable law.

## Technical Information

Technical information contained in this presentation with respect to Pan American has been reviewed or approved by Martin Wafforn, P.Eng., SVP Technical Services and Process Optimization, who is the Company's qualified person for the purposes of National Instrument 43-101. For additional information about the Company's material mineral properties, please refer to the Company's Annual Information Form dated March 24, 2016, filed at [www.sedar.com](http://www.sedar.com).

# Cautionary Note About Mineral Reserves and Resources

## Cautionary Note to US Investors Concerning Estimates of Mineral Reserves and Resources

This presentation has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral reserve and resource estimates included in this presentation have been prepared in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) and the Canadian Institute of Mining, Metallurgy and Petroleum classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

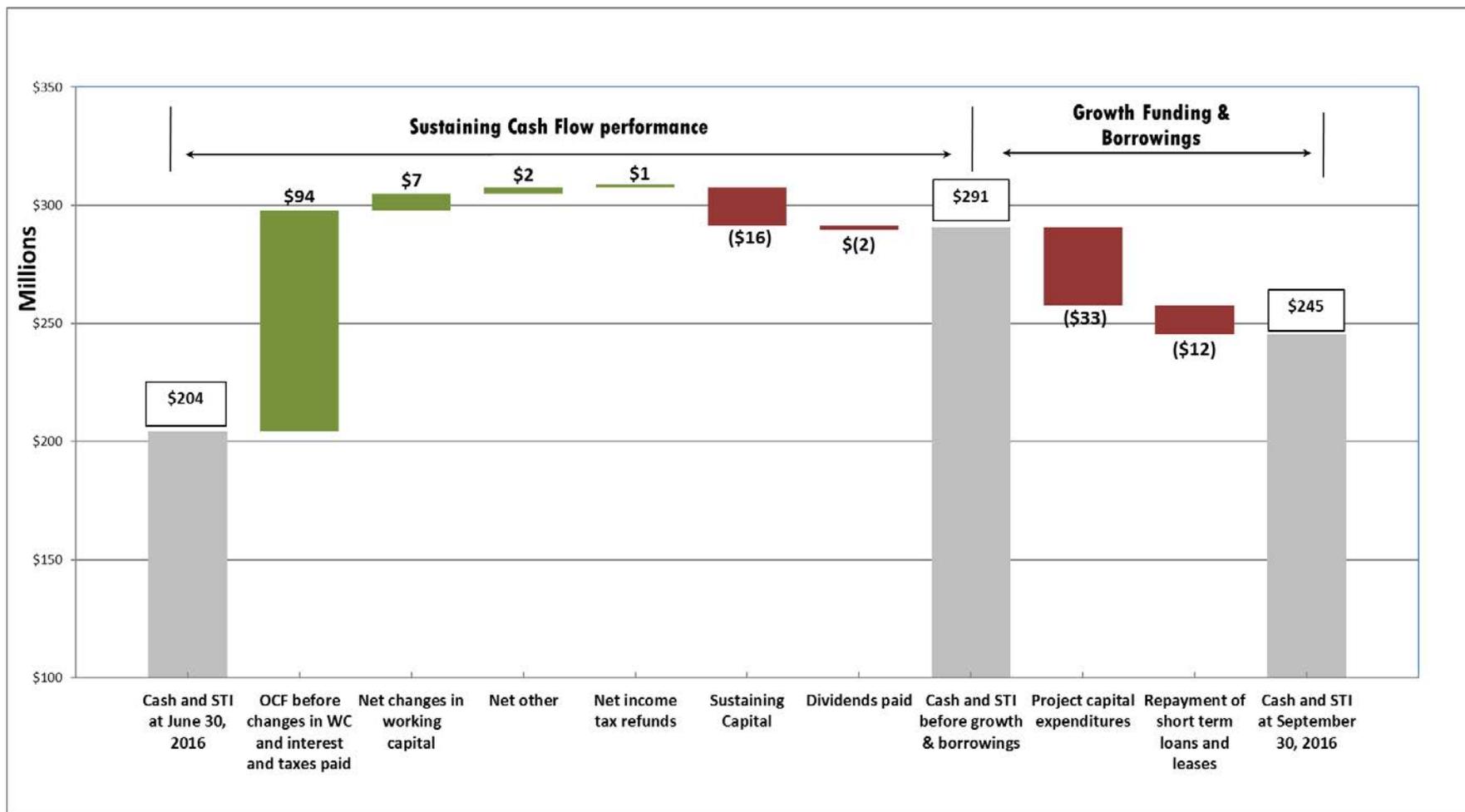
Canadian standards, including NI 43-101, differ significantly from the requirements of the United States Securities and Exchange Commission (the “SEC”), and information concerning mineralization, deposits, mineral reserve and resource information contained or referred to herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, this presentation uses the terms “measured resources”, “indicated resources” and “inferred resources”. U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. The requirements of NI 43-101 for identification of “reserves” are not the same as those of the SEC, and reserves reported by Pan American in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Under U.S. standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part of a “measured resource” or “indicated resource” will ever be converted into a “reserve”. U.S. investors should also understand that “inferred 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 “inferred resources” exist, are economically or legally mineable or will ever be upgraded to a higher category. Under Canadian securities laws, estimated “inferred resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases. Disclosure of “contained ounce” in a mineral resource is permitted disclosure under Canadian securities laws. However, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade, without reference to unit measures. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.

# Q3 2016 Financial Results

<b>Consolidated Financial Highlights</b>	<b>Q3 2016</b>	<b>Q3 2015</b>
Net earnings (loss) (\$ millions)	43.4	(67.5)
Net earnings per share	0.28	(0.44)
Adjusted earnings (loss) <sup>(1)</sup> (\$ millions)	37.0	(9.3)
Adjusted earnings per share	0.24	(0.06)
Net cash generated from operating activities (\$ millions)	102.3	32.9
Operating cash flow before changes in non-cash operating working capital (\$ millions)	95.1	26.2
Operating cash flow before changes in non-cash operating working capital per share	0.62	0.17

<sup>(1)</sup> Adjusted earnings (loss), and adjusted earnings (loss) per share. The Company believes that these measures better reflect normalized earnings as they eliminate items that may be volatile from period to period relating to positions that will settle in future periods, and items that are non-recurring. Readers should refer to the "Alternative Performance (non-GAAP) Measures" section of the Company's Management's Discussion & Analysis for the three and nine months ended Sept 30, 2016 for a more detailed discussion of this and other non-GAAP measures and their calculation.

# Q3 2016 Consolidated Cash Flows



# Q3 2016 Operational Results

<b>Consolidated Operational Highlights</b>	<b>Q3 2016</b>	<b>Q3 2015</b>
Silver produced (Moz)	6.36	6.61
Gold produced (Koz)	50.4	53.6
Cash costs <sup>(1)</sup> (net of by-product credits)	\$4.89	\$8.74
All-in Sustaining Costs per Silver Ounce Sold <sup>(2)</sup> (net of by-product credits) (“AISCOSOS”)	\$6.34	\$16.29

(1) Cash costs is a non-GAAP measure and does not have a standardized meaning prescribed by IFRS as an indicator of performance. The Company's method of calculating cash costs may differ from the methods used by other entities and, accordingly, the Company's cash costs may not be comparable to similarly titled measures used by other entities. Readers should refer to the "Alternative Performance (Non-GAAP) Measures" section of the Company's Management's Discussion & Analysis for the period ended Sept 30, 2016, for a more detailed description of this measure and its calculation.

(2) AISCOSOS is a non-GAAP measure and does not have a standardized meaning under IFRS as an indicator of performance and readers should refer to the "Alternative Performance (non-GAAP) Measures" section of the Company's most recently filed Management's Discussion & Analysis for the period ended Sept 30, 2016 for a more detailed description of this measure and its calculation.

# 2016 Outlook

<b>Consolidated Operational Highlights</b>	<b>YTD 2016</b>	<b>Forecast FY 2016 (Jan 19, 2016)</b>	<b>Forecast (1) FY 2016 (Nov 14, 2016)</b>	
Silver production (Moz)	19.1	24 - 25	25.0 – 25.7	↑
Gold production (koz)	140.0	175 - 185	175 – 185	→
Cash costs <sup>(2)</sup> (net of by-product credits)	\$6.17	\$9.45 - \$10.45	\$6.25 - \$7.00	↓
All-in Sustaining Costs per Silver Ounce Sold <sup>(3)</sup> (net of by-product credits) (“AISCOS”)	\$10.10	\$13.60 - \$14.90	\$10.75 - \$11.50	↓

- (1) Revised cash costs and AISCOS forecasts assume by-product credit prices of \$2,300/tonne (\$0.91/lb) for zinc, \$2,000/tonne (\$0.79/lb.) for lead, \$4,700/tonne (\$2.13/lb.) for copper, and \$1,250/oz. for gold.
- (2) Cash costs is a non-GAAP measure and does not have a standardized meaning prescribed by IFRS as an indicator of performance. The Company's method of calculating cash costs may differ from the methods used by other entities and, accordingly, the Company's cash costs may not be comparable to similarly titled measures used by other entities. Readers should refer to the "Alternative Performance (Non-GAAP) Measures" section of the Company's Management's Discussion & Analysis for the period ended Sept 30, 2016, for a more detailed description of this measure and its calculation.
- (3) AISCOS is a non-GAAP measure and does not have a standardized meaning under IFRS as an indicator of performance and readers should refer to the "Alternative Performance (non-GAAP) Measures" section of the Company's most recently filed Management's Discussion & Analysis for the period ended Sept 30, 2016 for a more detailed description of this measure and its calculation.

# Q3 2016 – Operating Results by Mine

Mine	Ag Production (Moz)	Au Production (koz)	\$ Cash Costs <sup>(1)</sup>
La Colorada	1.39	0.72	6.58
Dolores	0.90	27.14	(5.26)
Alamo Dorado	0.37	1.36	18.55
Huaron	0.97	0.20	4.92
Morococha	0.69	0.41	4.41
San Vicente	1.15	n/a	12.40
Manantial Espejo	0.90	20.59	(1.75)
<b>TOTAL <sup>(2)</sup></b>	<b>6.36</b>	<b>50.42</b>	<b>4.89</b>

(1) Cash costs per ounce of silver, net of by-product credits. Cash cost is a non-GAAP measure. Cash costs does not have a standardized meaning prescribed by IFRS as an indicator of performance. The Company's method of calculating cash costs may differ from the methods used by other entities and, accordingly, the Company's cash costs may not be comparable to similarly titled measures used by other entities. Readers should refer to the "Alternative Performance (Non-GAAP) Measures" section of the Company's Management's Discussion & Analysis for the period ended Sept 30, 2016, for a more detailed description of this measure and its calculation.

(2) Totals may not add up due to rounding.

# La Colorada Expansion – Q3 2016



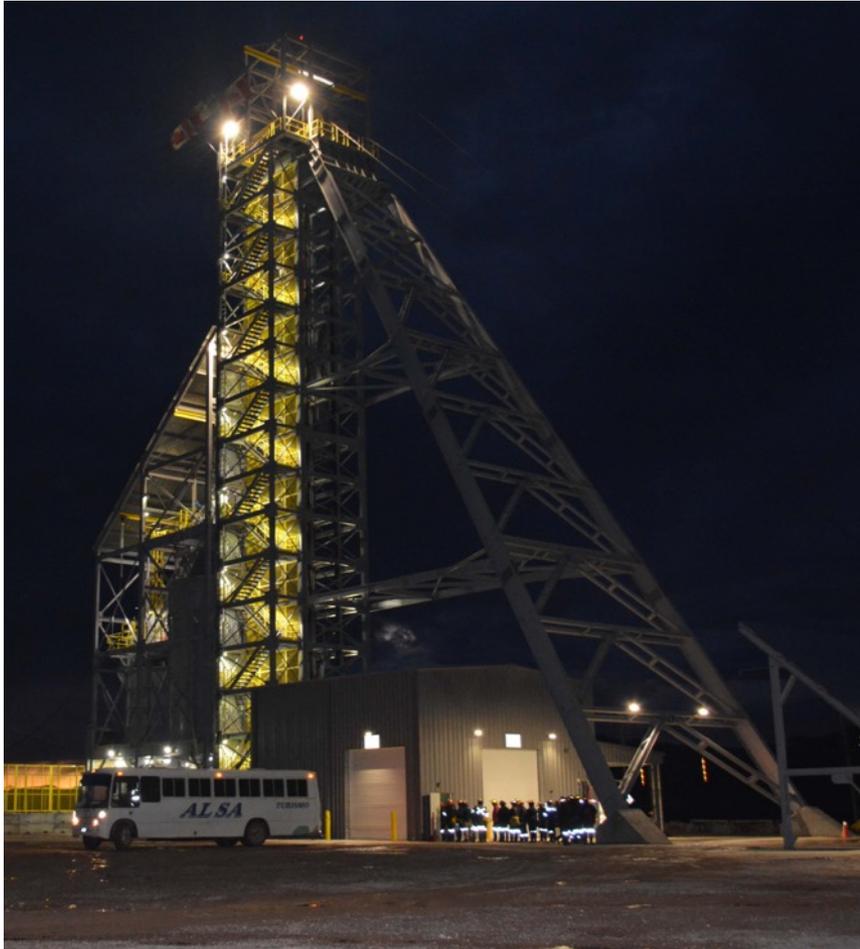
*New Sulphide Plant*



*Grinding Mill*

- Apart from the completion of the powerline and some additional mine development in the Estrella vein, the project is essentially complete.
- The site project team is currently 95% demobilized, and the bulk of the project accounts have been closed.
- Expect project to come in 5% to 10% under budget

# La Colorada Expansion – Q3 2016



## New mine shaft update

- Completed and outfitted down to shaft bottom (618 metres)
- Commissioned in fully automatic mode

# Dolores Expansion – Q3 2016



## Pulp agglomeration plant update

- Completed all major earthworks, including drilling and blasting of bedrock in crusher and mill area, placement of structural fill in Chabacan basin, and completion of Hilfiker walls.
- Rebar placement / forming and concrete placement commenced.
- Installation of the filter feed tank well advanced as of end of Q3.
- All major equipment either delivered or fabricated and awaiting delivery.
- All major construction contracts awarded.
- Scheduled for start-up end of Q2 2017.



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# Q&A

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