UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

[ ] **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

[X] **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

Commission file number: 001-32482

SILVER WHEATON CORP.

(Exact Name of Registrant as Specified in its charter)

Ontario, Canada	1041	Not Applicable
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code)	(I.R.S. Employer Identification No.)

Suite 3150, 666 Burrard Street
Vancouver, British Columbia
V6C 2X8
(604) 684-9648
(Address and telephone number of Registrant's principal executive offices)

Puglisi & Associates
850 Library Avenue, Suite 204
Newark, DE 19711
Telephone: (302) 738-6680

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

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

Title of each class:	Name of each exchange on which registered:
Common Shares, no par value	**New York Stock Exchange**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this form:

[X] Annual information form [X] Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 357,396,778

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

[X] Yes [ ] No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

[ ] Yes [ ] No

This annual report on Form 40-F shall be incorporated by reference into the registrant's Registration Statement on Form S-8 (File No. 333-128128), on Form F-10 (File No. 333-185152) and on Form F-3 (File No. 333-194702) under the Securities Act of 1933, as amended.

EXPLANATORY NOTE

Silver Wheaton Corp. (the "***Company***" or the "***Registrant***") is a Canadian issuer eligible to file its annual report pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***") on Form 40-F pursuant to the multi-jurisdictional disclosure system of the Exchange Act. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. The common shares of the Company are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 thereunder.

FORWARD-LOOKING STATEMENTS

This annual report on Form 40-F and the exhibits attached hereto contain "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 securities legislation. Forward-looking statements, which are all statements other than statements of historical fact, include, but are not limited to, statements with respect to the future price of silver or gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, reserve determination, reserve conversion rates, statements as to any future dividends, the ability to fund outstanding commitments and continue to acquire accretive precious metal stream interests and assessments of the impact and resolution of various legal and tax matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, operations, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: fluctuations in the price of silver or gold; the absence of control over mining operations from which the Company purchases silver or gold and risks related to these mining operations including risks related to fluctuations in the price of the primary commodities mined at such operations, actual results of mining and exploration activities, environmental, economic and political risks of the jurisdictions in which the mining operations are located and changes in project parameters as plans continue to be refined; differences in the interpretation or application of tax laws and regulations; and the Company's interpretation of, or compliance with, tax laws, is found to be incorrect; as well as those factors discussed in the section entitled "Risk Factors" in the Company's annual information form (the "***AIF***") for the financial year ended December 31, 2013. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the continued operation of the mining operations from which the Company purchases silver and gold, no material adverse change in the market price of commodities, that the mining operations will operate and the mining projects will be completed in accordance with their public statements and achieve their stated production outcomes, the continuing ability to fund or obtain funding for outstanding commitments, the ability to source and obtain accretive precious metal stream interests, expectations regarding the resolution of legal and tax matters, that the Company will be successful in challenging any reassessment by the Canada Revenue Agency and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements and are cautioned that actual outcomes may vary. The forward-looking statements and forward-looking information contained or incorporated by reference in this annual report on Form 40-F are included for the purpose of providing investors with information to assist them in understanding the Company's expected financial and operational performance and may not be appropriate for other purposes. The Company does not undertake to update any forward-looking statements that are included or incorporated by reference herein, except in accordance with applicable securities laws.

CURRENCY

Unless otherwise indicated, all dollar amounts in this annual report on Form 40-F are in United States dollars. Based on the Bank of Canada noon exchange rate, the exchange rate of Canadian dollars into United States dollars, on March 26, 2014, was CDN$1.00 = USD$0.8974.

NOTE TO UNITED STATES READERS-
DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Company's audited annual Consolidated Financial Statements for the year ended December 31, 2013 (the " ***Audited Financial Statements***") have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("***IFRS***").

The AIF filed as Exhibit 99.1 to this annual report on Form 40-F has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of U.S. securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined 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 (the " ***CIM***") – *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. These definitions differ from the definitions in the United States Securities and Exchange Commission ("***SEC***") Industry Guide 7 (" ***SEC Industry Guide 7***") under the United States Securities Act of 1933, as amended. Under SEC Industry Guide 7 standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally extracted or produced at the time of the reserve determination.

In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; 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 contained in this annual report and the documents incorporated by reference herein containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

ANNUAL INFORMATION FORM

For the Company's AIF, see Exhibit 99.1 filed as part of this annual report on Form 40-F.

AUDITED ANNUAL FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis

For the Company's management's discussion and analysis of results of operations and financial condition for the year ended December 31, 2013, see Exhibit 99.2 filed as part of this annual report on Form 40-F.

Audited Annual Financial Statements

For our Audited Financial Statements for the year ended December 31, 2013, including the reports of the Independent Registered Public Accounting Firm with respect thereto, see Exhibit 99.2 filed as part of this annual report on Form 40-F.

CERTIFICATIONS

See Exhibits 99.3, 99.4, 99.5 and 99.6 to this annual report on Form 40-F.

CONTROLS AND PROCEDURES

The Company's management, including the Chief Executive Officer ("***CEO***") and Chief Financial Officer ("***CFO***"), does not expect that its disclosure controls and procedures or internal controls and procedures will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Disclosure Controls

At the end of the period covered by this annual report, an evaluation was carried out under the supervision of, and with the participation of, the Company's management, including the CEO and CFO, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act). Based on that evaluation, the CEO and the CFO have concluded that as of the end of the period covered by this annual report, the Company's disclosure controls and procedures were adequately designed and effective in ensuring that information required to be disclosed by the Company in reports that it files or submits to the SEC under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and (ii) accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

During the period covered by this annual report on Form 40-F, no change occurred in the Company's internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation and fair presentation of financial statements for external purposes in accordance with generally accepted accounting principles.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management conducted an evaluation of the design and operation of the Company's internal control over financial reporting as of December 31, 2013, based on the criteria set forth in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, management has concluded that the Company's internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2013. The management's report entitled "Management's Report on Internal Control Over Financial Reporting" is included with the Audited Financial Statements, which are part of the Annual Report for the year ended December 31, 2013, attached as Exhibit 99.2 to this annual report on Form 40-F.

The Company's Independent Registered Public Accounting Firm has issued an attestation report on the Company's internal control over financial reporting as of December 31, 2013, included with the Audited Financial Statements, which are part of the Annual Report for the year ended December 31, 2013, attached as Exhibit 99.2 to this annual report on Form 40-F.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

The required disclosure is included in the "Report of Independent Registered Public Accounting Firm" that accompanies the Company's Audited Financial Statements for the year ended December 31, 2013, filed as Exhibit 99.2 to this annual report on Form 40-F.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the year ended December 31, 2013 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

AUDIT COMMITTEE

The Company's Board of Directors has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Company's Audit Committee are identified on page 72 of the AIF, included as Exhibit 99.1 and filed as part of this annual report on Form 40-F. In the opinion of the Company's Board of Directors, all members of the Audit Committee are independent (as determined under Rule 10A-3 of the Exchange Act and the rules of the New York Stock Exchange) and are financially literate.

Audit Committee Financial Expert

John Brough is an "audit committee financial expert" (as such term is defined in Form 40-F), in that he has an understanding of generally accepted accounting principles and financial statements; is able to assess the general application of accounting principles in connection with the accounting for estimates, accruals and reserves; has experience preparing, auditing, analyzing or evaluating financial statements that entail accounting issues of equal breadth and complexity to the Company's financial statements (or actively supervising another person who did so); has an understanding of internal controls and procedures for financial reporting and an understanding of audit committee functions. In addition, Mr. Brough is "independent" as that term is defined in the rules of the New York Stock Exchange.

CODE OF ETHICS

The Board of Directors has adopted a written Code of Business Conduct and Ethics which applies to all of the Company's officers, directors and employees, including its principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. In addition, the Board of Directors, through its meetings with management and other informal discussions with management, encourages a culture of ethical business conduct and believes the Company's high caliber management team promotes a culture of ethical business conduct throughout the Company's operations and is expected to monitor the activities of the Company's employees, consultants and agents in that regard. The Board of Directors encourages any concerns regarding ethical conduct in respect of the Company's operations to be raised by employees to their immediate supervisor and to the Company's Chief Compliance Officer and by officers and directors to the Chairman and to the Company's Chief Compliance Officer.

It is a requirement of applicable corporate law that directors and officers who are a party to a material contract or transaction or proposed material contract or transaction with the Company, or who are directors or officers of, or have a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Company, must disclose in writing to the Company or request to have entered in the minutes of meetings of directors the nature and extent of his interest and, in the case of directors, they must not attend any part of a meeting of directors during which the contract or transaction is discussed and must not vote on any resolution to approve the contract or transaction, subject to certain exceptions. These requirements are also contained in the Company's bylaws, which are made available to the directors and officers of the Company.

During the year ended December 31, 2013, there were no amendments to the code and no waivers, including implicit waivers, granted from any provision of the code. All amendments to the code, and all waivers of the code, including an implicit waiver, with respect to any of the employees, officers and directors covered by it, will be posted on the Company's website within five business days of the amendment or waiver, submitted on Form 6-K and provided in print to any shareholder who requests them. The Company's Code of Business Conduct and Ethics is located on its website at www.silverwheaton.com.

PRINCIPAL ACCOUNTING FEES AND SERVICES-INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Deloitte LLP acted as the Company's independent registered public accounting firm for the financial year ended December 31, 2013. See page 73 of the AIF, which is filed as Exhibit 99.1 to this annual report on Form 40-F, for the total amount billed to the Company by Deloitte LLP for services performed in the last two financial years by category of service (for audit fees, audit-related fees, tax fees and all other fees) in Canadian dollars.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The required disclosure is included on page 71 of the AIF filed as Exhibit 99.1 to this annual report on Form 40-F.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors, or relationships with unconsolidated special purpose entities.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The required disclosure is included under the heading "Management's Discussion and Analysis — Contractual Obligations and Contingencies" in Exhibit 99.2 of this annual report on Form 40-F.

MINE SAFETY DISCLOSURE

Not applicable.

UNDERTAKING

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

Any change to the name or address of the agent for service of process of the Company shall be communicated promptly to the SEC by an amendment to the Form F-X referencing the file number of the Company.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

SILVER WHEATON CORP.

By: /s/ Randy V. J. Smallwood
Name: Randy V. J. Smallwood
Title: Chief Executive Officer

Date: March 31, 2014

EXHIBITS

99.1	Annual Information Form of the Company for the year ended December 31, 2013
99.2	Annual Report of the Company for the year ended December 31, 2013, including Management's Discussion & Analysis and Annual Financial Statements
99.3	CEO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.4	CFO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.6	CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Consent of Deloitte LLP, Independent Registered Public Accounting Firm
99.8	Consent of N. Burns
99.9	Consent of S. Mah
99.10	Consent of J. Turner
99.11	Consent of B. Foo
99.12	Consent of J. Ché Osmond
99.13	Consent of C. Jacobs

Exhibit 99.1



SILVER WHEATON CORP.

ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2013

March 31, 2014

Suite 3150, 666 Burrard Street
Vancouver, B.C. V6C 2X8

SILVER WHEATON CORP.
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2013

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SCHEDULE “A” – AUDIT COMMITTEE CHARTER

INTRODUCTORY NOTES

Cautionary Note Regarding Forward-Looking Statements

This annual information form 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 securities legislation. Forward-looking statements, which are all statements other than statements of historical fact, include, but are not limited to, statements with respect to the future price of silver or gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, reserve determination, reserve conversion rates, statements as to any future dividends, the ability to fund outstanding commitments and continue to acquire accretive precious metal stream interests and assessments of the impact and resolution of various legal and tax matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, operations, level of activity, performance or achievements of Silver Wheaton (as defined herein) to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: fluctuations in the price of silver or gold; the absence of control over mining operations from which Silver Wheaton purchases silver or gold and risks related to these mining operations including risks related to fluctuations in the price of the primary commodities mined at such operations, actual results of mining and exploration activities, environmental, economic and political risks of the jurisdictions in which the mining operations are located and changes in project parameters as plans continue to be refined; differences in the interpretation or application of tax laws and regulations; and Silver Wheaton’s interpretation of, or compliance with, tax laws, is found to be incorrect; as well as those factors discussed in the section entitled “Risk Factors” in this annual information form. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the continued operation of the mining operations from which Silver Wheaton purchases silver and gold, no material adverse change in the market price of commodities, that the mining operations will operate and the mining projects will be completed in accordance with their public statements and achieve their stated production outcomes, the continuing ability to fund or obtain funding for outstanding commitments, the ability to source and obtain accretive precious metal stream interests, expectations regarding the resolution of legal and tax matters, that Silver Wheaton will be successful in challenging any reassessment by the Canada Revenue Agency and such other assumptions and factors as set out herein. Although Silver Wheaton has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements and are cautioned that actual outcomes may vary. The forward-looking statements and forward-looking information contained or incorporated by reference in this annual information form are included for the purpose of providing investors with information to assist them in understanding Silver Wheaton’s expected financial and operational performance and may not be appropriate for other purposes. Silver Wheaton does not undertake to update any forward-looking statements that are included or incorporated by reference herein, except in accordance with applicable securities laws.

Currency Presentation and Exchange Rate Information

This annual information form contains references to United States dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars. Canadian dollars are referred to as “Canadian dollars” or “C$”.

The high, low and closing noon spot rates for Canadian dollars in terms of the United States dollar for each of the three years in the period ended December 31, 2013, as quoted by the Bank of Canada, were as follows:

	Year ended December 31		
	2013	**2012**	**2011**
High	C$1.0706	C$1.0418	C$1.0604
Low	0.9832	0.9710	0.9449
Closing	1.0623	0.9949	1.0170

On March 26, 2014, the noon spot rate for Canadian dollars in terms of the United States dollar, as quoted by the Bank of Canada, was US$1.00 = C$1.1143.

Silver Prices

The high, low, average and closing fixing silver prices in United States dollars per troy ounce for each of the three years in the period ended December 31, 2013, as quoted by the London Bullion Market Association, were as follows:

	Year ended December 31		
	2013	**2012**	**2011**
High	$ 32.23	$ 37.23	$ 48.70
Low	18.61	26.67	26.16
Average	23.79	31.15	35.12
Closing	19.50	29.95	28.18

On March 26, 2014, the closing fixing silver price in United States dollars per troy ounce, as quoted by the London Bullion Market Association, was $20.03.

Gold Prices

The high, low, average and closing afternoon fixing gold prices in United States dollars per troy ounce for each of the three years in the period ended December 31, 2013, as quoted by the London Bullion Market Association, were as follows:

	Year ended December 31		
	2013	**2012**	**2011**
High	$ 1,693.75	$ 1,791.75	$ 1,895.00
Low	1,192.00	1,540.00	1,319.00
Average	1,411.23	1,668.98	1,571.52
Closing	1,204.50	1,657.50	1,531.00

On March 26, 2014, the closing afternoon fixing gold price in United States dollars per troy ounce, as quoted on the London Bullion Market Association, was $1,304.00.

CORPORATE STRUCTURE

Pursuant to Articles of Continuance dated December 17, 2004, Silver Wheaton Corp. ("Silver Wheaton" or the "Company") was continued under the *Business Corporations Act* (Ontario).

The Company's head office is located at Suite 3150, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8 and its registered office is located at Suite 2100, 40 King Street West, Toronto, Ontario, M5H 3C2.

The Company's active subsidiaries are Silver Wheaton (Caymans) Ltd. ("Silver Wheaton Caymans") which is wholly-owned by the Company and is governed by the laws of the Cayman Islands and Silver Wheaton Luxembourg S.a.r.l. ("Silver Wheaton Luxembourg") which is wholly-owned by Silver Wheaton Caymans and is governed by the laws of Luxembourg. As of December 31, 2012, Silverstone Resources (Barbados) Corp. was liquidated into Silver Wheaton Caymans. As used in this annual information form, except as otherwise required by the context, reference to "Silver Wheaton" or the "Company" means Silver Wheaton Corp., Silver Wheaton Caymans and Silver Wheaton Luxembourg.

SILVER WHEATON AND ITS PRINCIPAL SUBSIDIARIES



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Vale Transaction

Salobo Mine

On February 28, 2013, Silver Wheaton Caymans entered into an agreement (the "Salobo Mine Purchase Agreement") to acquire from Vale S.A. ("Vale") an amount of gold equal to 25% of the life of mine gold production from its currently producing Salobo mine (the "Salobo Mine"), located in Brazil. Silver Wheaton Caymans made a total upfront cash payment of $1.33 billion on March 12, 2013 and, in addition, will make ongoing payments of the lesser of $400 per ounce of gold (subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of gold delivered.

Vale is in the process of expanding the mill throughput capacity at the Salobo Mine to 24 million tonnes per annum from its current 12 million tonnes per annum. If the expansion to 24 million tonnes per annum is not completed by December 31, 2016, Silver Wheaton Caymans would be entitled to a gross up (a temporary increased percentage of gold production) based on the pro-rata achievement of the target production. If throughput capacity is expanded above 28 million tonnes per annum within a predetermined period, Silver Wheaton Caymans will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 million tonnes per annum by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 million tonnes per annum prior to January 1, 2021.

See “Further Disclosure Regarding Mineral Projects on Material Properties – Salobo Mine, Brazil” for details regarding the Salobo Mine.

Sudbury Mine

On February 28, 2013, the Company entered into an agreement to acquire from Vale an amount of gold equal to 70% of the gold production from certain of its currently producing Sudbury mines located in Canada, including the Coleman mine, Copper Cliff mine, Garson mine, Stobie mine, Creighton mine, Totten mine and the Victor project (the “Sudbury Mines”) for a period of 20 years. Silver Wheaton made a total upfront cash payment in March, 2013 of $570 million plus warrants to purchase 10 million shares of Silver Wheaton common stock at a strike price of $65, with a term of 10 years. In addition, Silver Wheaton will make ongoing payments of the lesser of $400 per ounce of gold or the prevailing market price per ounce of gold delivered.

New Credit Facilities

On February 28, 2013, the Company entered into two new credit facilities, comprised of (i) a $1 billion revolving credit facility having a five year term (the “Revolving Facility”); and (ii) a $1.5 billion bridge financing facility having a one year term (the “Bridge Facility”). The Revolving Facility and Bridge Facility replaced the pre-existing $400 million revolver loan and the $200 million non-revolving term loan, with the latter being repaid in full on February 22, 2013.

On May 28, 2013, the Company entered into a $1 billion non-revolving term loan (“NRT Loan”) with a three-year term, extendable by one year with the unanimous consent of lenders. On March 31, 2014, the term of the NRT Loan was extended by one year to May 28, 2017. The $1 billion proceeds from the NRT Loan were used to repay the remaining balance of $560 million under the Company’s $1.5 billion Bridge Facility and $440 million outstanding under the Company’s Revolving Facility. The Bridge Facility was terminated following the repayment of the outstanding balance. The Revolving Facility can be drawn down at any time to finance acquisitions, investments or for general corporate purposes. The Revolving Facility was fully undrawn as of December 31, 2013.

Hudbay Transaction

777 Mine

On August 8, 2012, the Company entered into an agreement (the “777 Mine Purchase Agreement”) with Hudbay Minerals Inc. (“Hudbay”) to acquire 100% of the life of mine silver and gold production from its currently producing 777 mine (the “777 Mine”), located in Canada. Silver Wheaton’s share of gold production at the 777 Mine will remain at 100% until the later of the end of 2016 or the satisfaction of a completion test relating to Hudbay’s Constancia project in Perú (the “Constancia Project”), after which it will be reduced to 50% for the remainder of the mine life. Silver Wheaton made an upfront cash payment of $455.1 million in September, 2012 and, in addition, will make ongoing payments of the lesser of $5.90 per ounce of silver and $400 per ounce of gold (both subject to an inflationary adjustment of 1% beginning in the fourth year and subject to being increased to $9.90 per ounce of silver and $550 per ounce of gold after the initial 40 year term) or the prevailing market price per ounce of silver and gold delivered. Hudbay has granted Silver Wheaton a right of first refusal on any future streaming agreement, royalty agreement or similar transaction related to the production of silver or gold from the 777 Mine.

Constancia Project (including Pampacancha)

On August 8, 2012, Silver Wheaton Caymans entered into an agreement with Hudbay to acquire 100% of the life of mine silver production from the Constancia Project. On November 4, 2013, Silver Wheaton Caymans amended its agreement with Hudbay to include the acquisition of an amount equal to 50% of the life of mine gold production from the Constancia Project. Under the amended agreement, Silver Wheaton Caymans will pay Hudbay total cash consideration of $429.9 million, of which $169.9 million has been paid as at December 31, 2013, with additional payments of $125 million and $135 million to be made once capital expenditures of $1 billion and $1.35 billion, respectively, have been incurred at the Constancia Project. At the end of the first quarter of 2014, as a result of capital expenditures at the Constancia Project reaching $1 billion, the $125 million payment was made. Silver Wheaton Caymans has the option to make the $135 million payment in either cash or by delivery of Silver Wheaton common shares (each common share of Silver Wheaton generally referred to herein as a "Common Share"), with the number of Common Shares to be issued to be calculated based on the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange ("TSX") for the ten consecutive trading days immediately prior to the date the consideration is payable.

In addition, Silver Wheaton Caymans will make ongoing payments of the lesser of $5.90 per ounce of silver and $400 per ounce of gold (both subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of silver and gold delivered.

The silver and gold production at the Constancia Project are subject to the same completion test. The completion test requires Hudbay to complete the Constancia Project processing plant to at least 90% of expected throughput and silver recovery by December 31, 2016. If Hudbay fails to satisfy the requirements of the completion test, Silver Wheaton Caymans would be entitled to continued delivery of 100% of the gold production from Hudbay's 777 Mine. If the completion test has not been satisfied by December 31, 2020, Silver Wheaton Caymans would be entitled to a proportionate return of the upfront cash consideration relating to the Constancia Project. In addition, Silver Wheaton Caymans would be entitled to additional compensation in respect of the gold stream should there be a delay in achieving completion or mining the Pampacancha deposit (the "Pampacancha Deposit") beyond the end of 2018. Hudbay has granted Silver Wheaton Caymans a right of first refusal on any future streaming agreement, royalty agreement, or similar transaction related to the production of silver or gold from the Constancia Project.

Recovery rates for gold under the amended agreement have been fixed given the early nature of the metallurgical test work on gold recoveries from the Pampacancha Deposit. Recoveries will be set at 55% for the Constancia Project deposit and 70% for the Pampacancha Deposit until Silver Wheaton Caymans receives 265,000 payable ounces, after which actual recoveries will be applied.

Early Deposit Gold Interest – Sandspring Transaction

On November 11, 2013, the Company entered into a life of mine early deposit precious metal purchase agreement (the "Early Deposit Agreement") to acquire from Sandspring Resources Ltd. ("Sandspring") an amount of gold equal to 10% of the gold production from its Toroparu project (the "Toroparu Project") located in the Republic of Guyana, South America. The Company will pay Sandspring total cash consideration of $148.5 million, of which $13.5 million has been paid to date, with the additional $135 million to be payable on an installment basis to partially fund construction of the mine. In addition, the Company will make ongoing payments of the lesser $400 per ounce of gold (subject to an inflationary adjustment of 1% beginning in the fourth year or satisfaction of the completion test) or the prevailing market price per ounce of gold delivered. Under the Early Deposit Agreement, there will be a 90 day period following the delivery of a bankable definitive feasibility study, environmental study and impact assessment, and other related documents (collectively, the "Feasibility Documentation"), or after December 31, 2015 if the Feasibility Documentation has not been delivered to the Company by such date, where the Company may elect not to proceed with the precious metal purchase agreement, at which time the Company will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

Long-Term Investments

At December 31, 2013, the Company held long-term investments with a market value of approximately $40.8 million.

Bear Creek Mining Corporation

At December 31, 2013, Silver Wheaton owned approximately 13.3 million common shares of Bear Creek Mining Corporation (TSXV: BCM) ("Bear Creek"), representing approximately 14% of the outstanding shares of Bear Creek. At December 31, 2013, the fair value of the Company's investment in Bear Creek was approximately $18.2 million.

Revett Minerals Inc.

At December 31, 2013, Silver Wheaton owned 5.3 million common shares of Revett Minerals Inc. (TSX: RVM) ("Revett"), representing approximately 15% of the outstanding shares of Revett. At December 31, 2013, the fair value of the Company's investment in Revett was approximately $3.8 million.

Sabina Gold & Silver Corp.

At December 31, 2013, Silver Wheaton owned 11.7 million common shares of Sabina Gold & Silver Corp. ("Sabina"), representing approximately 7% of the outstanding shares of Sabina. At December 31, 2013, the fair value of the Company's investment in Sabina was $8.0 million.

Other

At December 31, 2013, Silver Wheaton owned common shares and common share purchase warrants of several other publicly traded mineral exploration, development and mining companies. At December 31, 2013, the fair value of such other long-term investments was approximately $10.7 million. As Silver Wheaton's investment represents less than 10% of the outstanding shares of each of the respective companies and is not considered material to Silver Wheaton's overall financial position, these investments are not separately identified in this annual information form.

DESCRIPTION OF THE BUSINESS

Silver Wheaton is a mining company which generates its revenue primarily from the sale of silver and gold. The Company is listed on the New York Stock Exchange ("NYSE") (symbol: SLW) and the TSX (symbol: SLW).

To date, the Company has entered into 20 long-term purchase agreements and one (1) early deposit long-term purchase agreement associated with silver and/or gold ("precious metal purchase agreements"), relating to 24 different mining assets, whereby Silver Wheaton acquires silver and gold production from the counterparties for a per ounce cash payment at or below the prevailing market price. The primary drivers of the Company's financial results are the volume of silver and gold production at the various mines and the price of silver and gold realized by Silver Wheaton upon sale. Attributable silver and gold as referred to in this annual information form is the silver and gold production to which Silver Wheaton is entitled pursuant to the various purchase agreements.

The Company is actively pursuing future growth opportunities, primarily by way of entering into long-term precious metal purchase agreements. There is no assurance, however, that any potential transaction will be successfully completed.

Principal Product

The Company's principal product is silver that it has agreed to purchase pursuant to precious metal purchase agreements. The Company also acquires gold that it has agreed to purchase pursuant to precious metal purchase agreements. The following table summarizes the silver and gold interests currently owned by the Company (collectively, the "Mining Operations"). Note that statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" for material risks, assumptions and important disclosure associated with this information.

Silver and Gold Interests	Mine Owner	Location of Mine	Upfront Consideration [1]	Attributable Production to be Purchased		Term of Agreement	Date of Contract
				Silver	Gold		
San Dimas	Primero [2]	Mexico	$ 189,799	100% [2]	0%	Life of Mine	15-Oct-04
Yauliyacu	Glencore	Peru	$ 285,000	100% [3]	0%	20 years	23-Mar-06
Peñasquito	Goldcorp	Mexico	$ 485,000	25%	0%	Life of Mine	24-Jul-07
777	Hudbay	Canada	$ 455,100	100%	100%/50% [4]	Life of Mine	8-Aug-12
Salobo	Vale	Brazil	$ 1,330,000 [5]	0%	25%	Life of Mine	28-Feb-13
Sudbury	Vale	Canada	$ 623,572 [6]	0%	70%	20 years	28-Feb-13
Barrick			$ 625,000				
Pascua-Lama	Barrick	Chile/Argentina		25%	0%	Life of Mine	8-Sep-09
Lagunas Norte	Barrick	Peru		100%	0%	6 years [7]	8-Sep-09
Pierina	Barrick	Peru		100%	0%	6 years [7]	8-Sep-09
Veladero	Barrick	Argentina		100% [8]	0%	6 years [7]	8-Sep-09
Other			$ 1,148,833				
Los Filos	Goldcorp	Mexico	$ 4,463	100%	0%	25 years	15-Oct-04
Zinkgruvan	Lundin	Sweden	$ 77,866	100%	0%	Life of Mine	8-Dec-04
Stratoni	Eldorado Gold [9]	Greece	$ 57,500	100%	0%	Life of Mine	23-Apr-07
Minto	Capstone	Canada	$ 54,805	100%	100% [10]	Life of Mine	20-Nov-08
Cozamin	Capstone	Mexico	$ 41,959	100%	0%	10 years	4-Apr-07
Neves-Corvo	Lundin	Portugal	$ 35,350	100%	0%	50 years	5-Jun-07
Aljustrel	l'M SGPS	Portugal	$ 2,451	100%	0%	50 years	5-Jun-07
Mineral Park	Mercator [11]	United States	$ 42,000	100%	0%	Life of Mine	17-Mar-08
Campo Morado	Nyrstar NV	Mexico	$ 79,250	75%	0%	Life of Mine	13-May-08
Keno Hill	Alexco	Canada	$ 50,000	25%	0%	Life of Mine	2-Oct-08
Rosemont	Augusta	United States	$ 230,000 [12]	100%	100%	Life of Mine	10-Feb-10
Loma de La Plata	Pan American	Argentina	$ 43,289 [13]	12.5%	0%	Life of Mine	n/a [14]
Constancia	Hudbay	Peru	$ 429,900 [15]	100%	50% [16]	Life of Mine	8-Aug-12
Early Deposit							
Toroparu	Sandspring	Guyana	$ 148,500 [17]	0%	10% [17]	Life of Mine	8-Nov-13

1) Expressed in United States dollars, rounded to the nearest thousand; excludes closing costs and capitalized interest, where applicable.
2) Until August 6, 2014, Primero will deliver to Silver Wheaton a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas Mines and 50% of any excess, plus Silver Wheaton will receive an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp (as defined below). After August 6, 2014, Primero will deliver a per annum amount to Silver Wheaton equal to the first 6 million ounces of payable silver produced at San Dimas Mines and 50% of any excess.
3) To a maximum of 4.75 million ounces per annum. In the event that silver sold and delivered to Silver Wheaton in any year totals less than 4.75 million ounces, the amount sold and delivered to Silver Wheaton in subsequent years will be increased to make up for any cumulative shortfall, to the extent production permits.
4) Silver Wheaton is entitled to acquire 100% of the life of mine gold production from Hudbay's 777 Mine until Hudbay's Constancia Project satisfies a completion test, or the end of 2016, whichever is later. At that point, Silver Wheaton's share of gold production from 777 Mine will be reduced to 50% for the life of the mine.
5) Does not include the contingent payment related to the Salobo Mine expansion. Vale is in the process of expanding the mill throughput capacity at the Salobo Mine to 24 million tonnes per annum ("Mtpa") from its current 12 Mtpa. If throughput capacity is expanded above 28 Mtpa within a predetermined period, Silver Wheaton will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 Mtpa by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 Mtpa prior to January 1, 2021.
6) Comprised of a $570 million upfront cash payment plus warrants to purchase 10 million shares of Silver Wheaton common stock at a strike price of $65, with a term of 10 years.
7) Barrick (as defined below) will deliver to Silver Wheaton silver production from the currently producing mines until December 31, 2016.
8) Silver Wheaton's attributable silver production is subject to a maximum of 8% of the silver contained in the ore processed at Veladero Mine (as defined below) during the period.
9) 95% owned by Eldorado Gold Corporation.
10) The Company is entitled to acquire 100% of the first 30,000 ounces of gold produced per annum and 50% thereafter.
11) On December 12, 2013, Mercator (as defined below) announced that they had entered a plan of arrangement with Intergeo MMC Ltd. to combine and create a new copper focused metals company. Mercator has also indicated that it is anticipated that the plan of arrangement transaction will be completed in the second quarter of 2014.
12) Currently reflected as a contingent obligation, payable on an installment basis to partially fund construction of the Rosemont Project once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete construction of the mine.
13) Comprised of $10.9 million allocated to the silver interest upon the Company's acquisition of Silverstone Resources Corp. in addition to a contingent liability of $32.4 million, payable upon the satisfaction of certain conditions, including Pan American (as defined below) receiving all necessary permits to proceed with the mine construction.
14) Definitive terms of the agreement to be finalized.
15) Comprised of $169.9 million which has been paid to December 31, 2013, with further payments of $125 million and $135 million to be made once $1 billion and $1.35 billion, respectively, in capital expenditures have been incurred at Constancia. At the end of the first quarter of 2014, as a result of capital expenditures at the Constancia Project reaching $1 billion, the $125 million payment was made.
16) Gold recoveries will be set at 55% for the Constancia Project deposit and 70% for the Pampacancha Deposit until 265,000 ounces of gold have been delivered to the Company.
17) Comprised of $13.5 million paid to date in addition to $135 million to be payable on an installment basis to partially fund construction of the mine. During the 90 day period following the delivery of the Feasibility Documentation, or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

Further details regarding the purchase agreements entered into by the Company in respect of these silver and gold interests can be found under the heading "General Development of the Business – Three Year History" above, except for the following interests which were entered into prior to the past three years:

San Dimas Transaction

On October 15, 2004, the Company entered into a silver purchase agreement (the "San Dimas Silver Purchase Agreement") with Goldcorp Inc. ("Goldcorp") to acquire an amount equal to 100% of the silver produced by Goldcorp's Luismin mining operations in Mexico (owned at the date of the transaction) for a period of 25 years. The Luismin operations consisted primarily of the San Dimas mines (the "San Dimas Mines") and Los Filos mine (the "Los Filos Mine").

On August 6, 2010, Goldcorp completed the sale of the San Dimas Mines to Primero Mining Corp. ("Primero"). In conjunction with the sale, Silver Wheaton amended its silver purchase agreement relating to the mine. The term of the silver purchase agreement, as it relates to San Dimas, has been extended to the life of mine. During the first four years following the closing of the transaction, Primero will deliver to Silver Wheaton a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas and 50% of any excess, plus Silver Wheaton will receive an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp. Beginning in the fifth year after closing, Primero will deliver a per annum amount to Silver Wheaton equal to the first 6 million ounces of payable silver produced at San Dimas and 50% of any excess. In addition, a per ounce cash payment of the lesser of $4.04 per ounce of silver (subject to an annual inflationary adjustment) or the prevailing market price is due, for silver delivered under the agreement. Goldcorp will continue to guarantee the delivery by Primero of all silver produced and owing to the Company until 2029. Primero has provided Silver Wheaton with a right of first refusal on any metal stream or similar transaction it enters into.

See "Further Disclosure Regarding Mineral Projects on Material Properties – San Dimas Mines, Mexico" for details regarding the San Dimas Mines.

Los Filos Transaction

Silver Wheaton has an agreement with Goldcorp to acquire 100% of the silver production from its Los Filos Mine in Mexico for a period of 25 years, commencing October 15, 2004. In addition, pursuant to Goldcorp's sale of the San Dimas Mines, Goldcorp is obligated to deliver to Silver Wheaton 1.5 million ounces of silver per annum until August 6, 2014 as noted under "San Dimas Transaction" above.

Zinkgruvan Mine

On December 8, 2004, Silver Wheaton Caymans entered into an agreement with Lundin Mining Corporation ("Lundin") and Zinkgruvan Mining AB ("Zinkgruvan AB") to acquire 100% of the payable silver produced by Lundin's Zinkgruvan mining operations (the "Zinkgruvan Mine") in Sweden for the life of mine for the lesser of $3.90 per ounce of silver (subject to an annual inflationary adjustment) and the then prevailing market price per ounce of silver. Upfront consideration payable to Zinkgruvan AB was approximately $77.9 million.

Yauliyacu Mine

On March 23, 2006, Silver Wheaton Caymans entered into a silver purchase agreement with Glencore International AG ("Glencore") and Anani Investments Ltd. to acquire an amount equal to 100% of the payable silver produced from Glencore's Yauliyacu mining operations (the "Yauliyacu Mine") in Perú, up to a maximum of 4.75 million ounces per year, for a period of 20 years commencing in March of 2006, for $3.90 per ounce of silver (subject to an annual inflationary adjustment). In the event that silver sold and delivered to Silver Wheaton Caymans in any year totals less than 4.75 million ounces, the amount sold to Silver Wheaton Caymans in subsequent years will be increased to make up the cumulative shortfall, to the extent production permits. During the term of the contract, Silver Wheaton Caymans has a right of first refusal on any future sales of silver streams from the Yauliyacu Mine and a right of first offer on future sales of silver streams from any other mine owned by Glencore at the time of the initial transaction.

See "Further Disclosure Regarding Mineral Projects on Material Properties – Yauliyacu Mine, Perú" for details regarding the Yauliyacu Mine.

Peñasquito Mine

On July 24, 2007, Silver Wheaton Luxembourg entered into a silver purchase agreement (the "Peñasquito Silver Purchase Agreement") with Goldcorp and Minera Peñasquito, S.A. de C.V. ("Minera Peñasquito"), a wholly-owned subsidiary of Goldcorp, pursuant to which Silver Wheaton Luxembourg agreed to purchase 25% of the payable silver produced by Minera Peñasquito from the Peñasquito Mine located in Mexico (the "Peñasquito Mine") over its entire mine life, for upfront consideration of $485 million, plus a payment equal to the lesser of $3.90 per ounce of delivered silver (subject to an annual inflationary adjustment three years after commercial production commences) and the then prevailing market price per ounce of silver. Silver Wheaton Luxembourg and Silver Wheaton Caymans entered into a back to back silver purchase agreement in respect of the Peñasquito Mine.

As stated in Goldcorp's year end 2013 management's discussion and analysis ("Goldcorp's MD&A"), the Peñasquito Mine continued to incrementally increase its fresh water production in 2013 from 69,500 to 77,000 cubic meters per day with the addition of eight new wells in the Torres-Vergel area and four new wells in the mine operations area. These new wells not only supplied water to replace the declining production in the existing well field, but allowed water production to increase above 2012 year end levels. This increase in water production combined with rigorous control of tailings management and improved efficiencies in the primary crusher and augmented feed circuit, allowed an increase in plant throughput from 99,945 tonnes per day in 2012 to 106,200 tonnes per day in 2013. The Northern Well Field project, which will add 25 new production wells, is expected to be operational in the fourth quarter of 2014.

As detailed in Goldcorp's February 12, 2014, news release, Goldcorp has completed a new life-of-mine plan at the Peñasquito Mine that positively affected the 2014 and five-year production profile. As a result of this work, proven and probable silver mineral reserves attributable to Silver Wheaton decreased to 151.3 million ounces from 227.9 million ounces. The decrease was a result of higher strip ratio pushbacks and the classification of mineral reserves that require higher commodity prices to be economically processed as mineral resources. In 2014, exploration at the Peñasquito Mine will continue to focus on defining the high-grade core of the copper-gold, sulphide-rich skarn mineralization located below and adjacent to current Mineral Reserves. In addition to exploration, Goldcorp is investigating the potential for producing a saleable copper concentrate at the Peñasquito Mine. An additional study is also underway to assess the viability of leaching a pyrite concentrate from the zinc flotation tailings. Successful implementation of one or both of these new process improvements has the potential to significantly improve the overall economics and add to the Mineral Reserves of the Peñasquito Mine through addition of another saleable product, and increasing gold and silver recoveries.

As per Goldcorp's MD&A, in 2005, prior to construction of the Peñasquito Mine, an agreement was negotiated with the Cerro Gordo Ejido for the use of 600 hectares (approximately 1,483 acres) of surface land which includes 60% of the mine pit area, the waste rock facility and explosive magazine storage area and is located within the confines of the proposed Peñasquito Mine site. The terms of the agreement were based on comparable surface valuations in the region as well as on similar agreements at the Peñasquito Mine and other Mexican mining operations. In 2009, the Cerro Gordo Ejido commenced an action against Minera Peñasquito in Mexico's agrarian courts challenging the land use agreement. Following a series of legal proceedings, the agrarian courts ruled on June 18, 2013, that the land use agreement was null and ordered the land to be returned to the Cerro Gordo Ejido for payment of 2.4 million pesos. Three separate claims are currently proceeding in the First District Court of Zacatecas by the Cedros and Mazapil Ejidos and a local transportation union which have resulted in the suspension of the agrarian court's ruling, pending resolution of the three claims. The Cerro Gordo Ejido has appealed the suspension.

Goldcorp also stated that negotiations are taking place under the official observation of the office of the Mexican Secretary of the Economy and Goldcorp believes that proper representatives of both parties are currently engaged in a constructive process with a view to reaching a mutually beneficial settlement of the land claim. Goldcorp has filed with the office of the Secretaria De Desarrollo Agrario Territorial y Urbano ("SEDATU") the required filings to expropriate the disputed lands. In addition, Goldcorp has stated that they will continue to employ all legal means at its disposal to ensure continuity of operations and to protect Goldcorp's mineral concession rights consistent with Mexican law. Goldcorp notes that operations at the Peñasquito Mine have not been impacted, however, in the event the suspensions of the agrarian court ruling are revoked or the claims by the Ejido Cedros, Ejido Mazapil and transportation union are ultimately rejected, Ejido Cerro Gordo would, absent any other intervening event be entitled to possession of the Cerro Gordo lands. Should this occur, Goldcorp states that mine operations would be adversely impacted, with the ultimate resolution of this matter being indeterminable at this time.

See “Further Disclosure Regarding Mineral Projects on Material Properties - Peñasquito Mine, Mexico” for details regarding the Peñasquito Mine.

Stratoni Mine

On April 23, 2007, Silver Wheaton Caymans entered into a silver purchase agreement with European Goldfields Limited (“European Goldfields”), which was acquired by Eldorado Gold Corporation on February 24, 2012, and Hellas Gold S.A. (“Hellas Gold”), a 95%-owned subsidiary of European Goldfields, pursuant to which Silver Wheaton Caymans agreed to purchase 100% of the payable silver produced by Hellas Gold from the Stratoni mine (the “Stratoni Mine”) located in Greece over its entire mine life, for an upfront cash payment of $57.5 million, plus a payment equal to the lesser of $3.90 per ounce of delivered silver (subject to an annual inflationary adjustment after April 23, 2010) and the then prevailing market price per ounce of silver. During the term of the contract, Silver Wheaton Caymans has a right of first refusal on any future sales of silver streams from any other mine owned by Hellas Gold or European Goldfields.

Keno Hill Mines

On October 2, 2008, the Company entered into a silver purchase agreement with Alexco Resource Corp. (“Alexco”) and Elsa Reclamation & Development Company Ltd. and Alexco Keno Hill Mining Corp. (formerly called Alexco Resource Canada Corp.), each of which are wholly-owned subsidiaries of Alexco, pursuant to which the Company agreed to pay, subject to the completion of certain conditions, an upfront cash payment of $50 million in order to acquire 25% of all payable silver produced from the Keno Hill district, including the currently producing Bellekeno mine in the Yukon Territory, Canada (the “Keno Hill Mines”), over its entire mine-life, for the lesser of $3.90 (subject to an annual inflationary adjustment beginning in year four after the achievement of specific operating targets) and the then prevailing market price per ounce of delivered silver. Silver Wheaton is not required to contribute to further capital or exploration expenditures and Alexco has provided a completion guarantee with certain minimum production criteria by specific dates.

Campo Morado Mine

On May 13, 2008, Silver Wheaton Caymans entered into a silver purchase agreement with Nyrstar Mining Ltd. (formerly called Farallon Mining Ltd., and prior to that Farallon Resources Ltd.) (“Nyrstar”) and Nyrstar Resources (Barbados) Ltd. (formerly called Farallon Resources (Barbados) Ltd.), which are subsidiaries of Nyrstar NV as a result of Nyrstar NV’s acquisition of Farallon Mining Ltd. (as it was then named) in January 2011. Under the terms of the silver purchase agreement, Silver Wheaton Caymans agreed to pay, subject to the completion of certain conditions, an upfront cash payment of $80 million in order to acquire 75% of payable silver produced by the Campo Morado property in Mexico (the “Campo Morado Mine”), over its entire mine-life, for the lesser of $3.90 (subject to an annual adjustment beginning in year four after production commences) and the then prevailing market price per ounce of delivered silver. The upfront payment was made on a drawdown basis to fund ongoing capital expenditures at the Campo Morado Mine.

Mineral Park Mine

On March 17, 2008, Silver Wheaton Caymans entered into a silver purchase agreement with Mercator Minerals Ltd. (“Mercator”) and Mercator Minerals (Barbados) Ltd., a wholly-owned subsidiary of Mercator, pursuant to which Silver Wheaton Caymans agreed to pay, subject to the completion of certain conditions, an upfront cash payment of $42 million in order to acquire 100% of the payable silver produced by the Mineral Park mine in the United States (the “Mineral Park Mine”), over its entire mine-life, for the lesser of $3.90 (subject to an annual adjustment beginning three years after a minimum production level has been met) and the then prevailing market price per ounce of delivered silver. Pursuant to an amendment to the silver purchase agreement, Mercator exercised its option to defer delivery of 50% of the required silver deliveries for one year starting July 1, 2013. All deferred silver will be delivered in equal installments over 18 months after the one year deferral period. Mercator will compensate Silver Wheaton Caymans for any shortfall arising from a decrease in the silver spot price between the time of the original delivery date and the date of actual delivery, including a 12% annualized interest rate. The amendment also grants Silver Wheaton a right of first refusal on any future precious metals streams relating to the El Creston project. On December 12, 2013, Mercator announced that they had entered a plan of arrangement with Intergeo MMC Ltd. to combine and create a new copper focused metals company. Mercator has indicated that it is anticipated that the plan of arrangement transaction will complete in the second quarter of 2014.

Pascua-Lama Project

On September 8, 2009, the Company entered into a silver purchase agreement (the "Pascua-Lama Silver Purchase Agreement") with Barrick Gold Corporation ("Barrick") pursuant to which the Company agreed to purchase an amount of silver equivalent to 25% of the life of mine silver production from Barrick's Pascua-Lama project (the "Pascua-Lama Project") located on the border of Chile and Argentina, as well as an amount of silver equivalent to 100% of the silver production from its Lagunas Norte mine (the "Lagunas Norte Mine") and Pierina mine (the "Pierina Mine"), which are both located in Perú, and its Veladero mine (the "Veladero Mine") (Silver Wheaton's attributable silver production is subject to a maximum of 8% of the silver contained in the ore processed at the Veladero Mine during the period), which is located in Argentina, until the end of 2013 (the "Barrick Transaction"). The Company will make total upfront cash payment to Barrick of $625 million (the "Upfront Payment"). In addition, per ounce cash payments of the lesser of $3.90 (subject to an annual inflationary adjustment starting three years after achieving project completion at Pascua-Lama) and the prevailing market price is due for silver delivered under the Pascua-Lama Silver Purchase Agreement.

As per Barrick's year end 2013 management's discussion and analysis and annual information form, during the fourth quarter of 2013, Barrick decided to temporarily suspend construction activities at the Pascua-Lama Project, except those required for environmental protection and regulatory compliance, and to place the project on care and maintenance. As disclosed by Barrick, Barrick's decision to re-start will depend on improved economics and reduced uncertainty associated with legal and other regulatory requirements, and that remaining development will take place in distinct stages with specific work programs and budgets.

As part of the original agreement, Barrick provided the Company with a completion guarantee, requiring Barrick to complete the Pascua-Lama Project to at least 75% of design capacity by December 31, 2015, which was subsequently extended to December 31, 2016. During 2014 and 2015, the Company will be entitled to the silver production from the Lagunas Norte Mine, the Pierina Mine and the Veladero Mine to the extent of any production shortfall at the Pascua-Lama Project, until Barrick satisfies the completion test.

As a result of Barrick's decision to temporarily suspend construction activities at the Pascua-Lama Project, the Company has amended its silver purchase agreement with Barrick. The amendment entails Silver Wheaton being entitled to 100% of the silver production from Barrick's Lagunas Norte Mine, Pierina Mine and Veladero Mine until the end of 2016 - an extension of one year. In addition, Silver Wheaton has agreed to extend the completion test deadline an additional year to the end of December 31, 2017. If the requirements of the completion test have not been satisfied by the revised outside completion date, the agreement may be terminated by Silver Wheaton. In such an event, Silver Wheaton will be entitled to the return of the Upfront Payment of $625 million less a credit for silver delivered up to that date. Barrick has also granted the Company a five year right of first refusal on any further metal stream sales in connection with the Pascua-Lama Project, where more than 50% of the value is derived from silver.

If, after Barrick satisfies the requirements of the completion test, certain political events occur in Argentina or Chile, including an expropriation of any part of the Pascua-Lama Project, the selective and discriminatory imposition of any law or war or insurrection, that results in Barrick losing all or substantially all of the rights, privileges or benefits pertaining to any part of the Pascua-Lama Project, then Silver Wheaton's entitlement to silver production from that part of the Pascua-Lama Project will be suspended until the political event ceases.

If, after Barrick satisfies the requirements of the completion test, certain political events occur in Argentina or Chile that would reduce Barrick's economic value of its investment in the Pascua-Lama Project by more than 50%, then Silver Wheaton's entitlement to silver production from the Pascua Lama Project and the uncredited balance of the Upfront Payment will be reduced to reflect the reduction of Barrick's economic value of its investment in the Pascua-Lama Project, until the political event ceases. If the political event continues for the term of the transaction, then Silver Wheaton's entitlement to the repayment of the uncredited balance of the Upfront Payment will be reduced to reflect the suspension of silver sales from the affected portion of the Pascua-Lama Project.

If, after Barrick satisfies the requirements of the completion test, any of Barrick's subsidiaries that own any part of the Pascua-Lama Project becomes insolvent or bankrupt, or Barrick's lenders exercise or enforce any security granted to them that results in Barrick losing all or substantially all of the rights, privileges or benefits pertaining to the Pascua-Lama Project, then the transaction will terminate and Silver Wheaton will be entitled to an immediate repayment of the uncredited balance of the Upfront Payment.

If Silver Wheaton fails to pay any portion of the Upfront Payment to Barrick, then Barrick may terminate Silver Wheaton's obligation to make any further payments of the Upfront Payment and reduce the amount of the Upfront Payment already paid to Barrick by the lesser of 20% of the amount already paid or $50 million. Following any such reduction, Barrick will continue to sell silver to Silver Wheaton in accordance with the terms of the transaction until the amount of silver sold to Silver Wheaton equals the reduced amount of the Upfront Payment, after which the transaction will terminate.

See "Further Disclosure Regarding Mineral Projects on Material Properties –Pascua-Lama Project, Border of Chile and Argentina" for details regarding the Pascua-Lama Project.

Silverstone Acquisition

On May 21, 2009, the Company completed the acquisition of all of the outstanding common shares of Silverstone Resources Corp. ("Silverstone") by way of a statutory plan of arrangement. Each common share of Silverstone was exchanged for 0.185 of a Common Share, resulting in the issuance of approximately 23.4 million Common Shares. The following interests were acquired as a result of the acquisition of Silverstone:

Minto Mine – A precious metal purchase agreement to acquire 100% of the silver produced from the Minto mine (the "Minto Mine") in Canada, owned by Capstone Mining Corp. ("Capstone") and 100% of the first 30,000 ounces of gold produced per annum and 50% thereafter for the lesser of $3.90 per ounce of silver and $300 per ounce of gold (subject to an annual inflationary adjustment after three years) and the then prevailing market price per ounce of silver or gold. If gold production from the Minto Mine exceeds 30,000 ounces per year, the Company has committed to purchase 50% of the amount that production exceeds those thresholds for the same per ounce payment noted above.

Cozamin Mine – A silver purchase agreement to acquire 100% of the silver produced from the Cozamin mine (the "Cozamin Mine") in Mexico, owned by Capstone until 2017 for the lesser of $4.00 (subject to an annual inflationary adjustment after three years) and the then prevailing market price per ounce of silver.

Neves-Corvo Mine – A silver purchase agreement to acquire 100% of the silver produced from the Neves-Corvo mine (the "Neves-Corvo Mine") in Portugal, owned by Lundin Mining Corporation for the life of mine (nominal term of 50 years) for the lesser of $3.90 (subject to an annual inflationary adjustment after three years) and the then prevailing market price per ounce of silver.

Aljustrel Mine – A silver purchase agreement to acquire 100% of the silver produced from the Aljustrel mine (the "Aljustrel Mine") in Portugal, owned by I'M SGPS for the life of mine (nominal term of 50 years) for the lesser of $3.90 (subject to an annual inflationary adjustment after three years) and the then prevailing market price per ounce of silver.

Loma de La Plata Project – A debenture with Pan American Silver Corp. ("Pan American") (formerly with Aquiline Resources Inc.) convertible into an agreement to purchase 12.5% of the life of mine silver production from the Loma de La Plata (the "Loma de La Plata Project") zone of the Navidad Project in Argentina. On February 25, 2010, the Company elected to convert the debenture with Pan American into an agreement to acquire an amount equal to 12.5% of the life of mine silver production from the Loma de La Plata Project. As such, Silver Wheaton will make total upfront cash payments of $32.4 million following the satisfaction of certain conditions, including Pan American receiving all necessary permits to proceed with the mine construction. In addition, a per ounce cash payment of the lesser of $4.00 per ounce and the prevailing market price is due for silver delivered under the agreement. The terms of the definitive precious metal purchase agreement continue to be negotiated.

Rosemont Transaction

On February 10, 2010, the Company entered into an agreement with Augusta Resource Corporation ("Augusta") to acquire an amount equal to 100% of the life of mine silver and gold production from its Rosemont copper project (the "Rosemont Project") located in Pima County, Arizona. The payable rate for silver and gold has been fixed at 92.5% of production. Silver Wheaton will make total upfront cash payments of $230 million, payable on an instalment basis to partially fund construction of the mine, once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete construction of the Rosemont Project. In addition, a per ounce cash payment of the lesser of $3.90 per ounce of silver and $450 per ounce of gold (both subject to an inflationary adjustment) or the prevailing market price is due, for silver and gold delivered under the agreement.

Sales of Principal Product

There is a worldwide silver and gold market into which the Company can sell the silver and gold purchased under the precious metal purchase agreements and, as a result, the Company will not be dependent on a particular purchaser with regard to the sale of the silver or gold that it acquires pursuant to its precious metal purchase agreements. The silver in concentrate from the Zinkgruvan Mine, the Stratoni Mine and the Neves-Corvo Mine and the silver and gold from the Minto Mine is purchased from the Company by various smelters and off-takers at the worldwide market price for silver and gold.

Competitive Conditions

The Company is the largest precious metals streaming company in the world. The ability of the Company to acquire additional precious metals in the future will depend on its ability to select suitable properties and enter into similar precious metal purchase agreements. See "Description of the Business — Risk Factors — Competition".

Operations

Raw Materials

The Company purchases silver and/or gold pursuant to the purchase agreements described under "Description of the Business – Principal Product".

Employees

Currently, the Company and its subsidiaries have an aggregate of 30 employees.

Foreign Interests

The Company currently purchases or expects to be purchasing silver and/or gold from mines in Mexico, the United States, Brazil, Greece, Sweden, Perú, Chile, Argentina, Portugal and Guyana. Any changes in legislation, regulations or shifts in political attitudes in such foreign countries are beyond the control of the Company and may adversely affect its business. The Company may be affected in varying degrees by such factors as government legislation and regulations (or changes thereto) with respect to the restrictions on production, export controls, income and other taxes, expropriation of property, repatriation of profits, environmental legislation, land use, water use, land claims of local people and mine safety. The effect of these factors on the Company cannot be accurately predicted. See "Description of the Business — Risk Factors — Risks relating to the Mining Operations — International Operations".

Risk Factors

The operations of the Company are speculative due to the nature of its business which is the purchase of silver and/or gold production from producing mining companies. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. The risks described herein are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business.

Risks Relating to the Company

Commodity Prices

The price of the Common Shares and the Company's financial results may be significantly adversely affected by a decline in the price of silver or gold. The price of silver and gold fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control, including but not limited to, the sale or purchase of silver and gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major silver and gold producing countries throughout the world.

In the event that the prevailing market price of silver or gold is at or below the price at which the Company can purchase such pursuant to the terms of the agreements associated with its silver and gold interests, the Company will not generate positive cash flow or earnings.

Silver and gold are by-product metals at all of the Mining Operations, other than at the Keno Hill Mines located in Canada, the Loma de La Plata Project located in Argentina and the Toroparu Project located in Guyana, and therefore, the economic cut-off applied to the reporting of silver and gold reserves and resources will be influenced by changes in the commodity prices of other metals at the mines.

Risks Relating to the Mining Operations

To the extent that they relate to the production of silver or gold from, or the continued operation of, the Mining Operations, the Company will be subject to the risk factors applicable to the operators of such mines or projects, some of which are set forth below under "Risks Relating to the Mining Operations".

No Control Over Mining Operations

The Company has agreed to purchase a certain percentage of the silver and/or gold produced by the Mining Operations. The Company is not directly involved in the ownership or operation of mines and has no contractual rights relating to the operation of the Mining Operations. As a result, the cash flows of the Company are dependent upon the activities of third parties which creates the risk that at any time those third parties may: (i) have business interests or targets that are inconsistent with those of the Company; (ii) take action contrary to the Company's policies or objectives; (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit a third party's ability to perform its obligations under the precious metal purchase agreements. Except in limited circumstances, the Company will not be entitled to any material compensation if such operations do not meet their forecasted silver or gold production targets in any specified period or if the operations shut down, suspend or discontinue on a temporary or permanent basis. There can be no assurance that the silver or gold production from such properties will ultimately meet forecasts or targets. At any time, any of the operators of the Mining Operations may decide to suspend or discontinue operations.

Taxes

A significant portion of the Company's operating profit is derived from its subsidiaries, Silver Wheaton Caymans which is incorporated and operated in the Cayman Islands and historically, Silverstone Resources (Barbados) Corp., which was incorporated and operated in Barbados, such that the Company's profits are subject to low income tax.

The introduction of new tax laws or regulations, or changes to, or differing interpretation of, or application of, existing tax laws or regulations in Canada, the Cayman Islands, Barbados, Luxembourg, the Netherlands or any of the countries in which the Mining Operations are located or to which shipments of silver or gold are made, could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time, including an audit by the Canada Revenue Agency of the Company's international transactions covering the 2005 to 2010 taxation years. No assurance can be given that new tax laws or regulations will not be enacted or that existing tax laws or regulations will not be changed, interpreted or applied in a manner which could have a material adverse effect on the Company.

Credit and Liquidity Risk

The Company is exposed to counterparty risks and liquidity risks including, but not limited to: (i) through the companies with which the Company has precious metal purchase agreements; (ii) through financial institutions that hold the Company's cash and cash equivalents; (iii) through companies that have payables to the Company, including concentrate customers; (iv) through the Company's insurance providers; and (v) through the Company's lenders. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company. If these risks materialize, the Company's operations could be adversely impacted and the trading price of the Common Shares could be adversely affected.

Hedging Risk

The Company has a policy that permits hedging its foreign exchange and interest rate exposures to reduce the risks associated with currency and interest rate fluctuations. The Company also has adopted a policy to allow the forward sale of forecast silver and gold deliveries provided that such sales shall not extend beyond the end of a financial quarter of the Company.

Hedging involves certain inherent risks including: (a) credit risk - the risk that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with the Company or adversely affect the financial and other terms the counterparty is able to offer the Company; (b) market liquidity risk – the risk that the Company has entered into a hedging position that cannot be closed out quickly, by either liquidating such hedging instrument or by establishing an offsetting position; and (c) unrealized fair value adjustment risk – the risk that, in respect of certain hedging products, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring losses in respect of such hedging products as a result of the hedging products being out-of-the money on their settlement dates.

There is no assurance that a hedging program designed to reduce the risks associated with foreign exchange/currency, interest rate or commodity fluctuations will be successful. Although hedging may protect the Company from adverse changes in foreign exchange/currency, interest rate or commodity fluctuations, it may also prevent the Company from fully benefitting from positive changes.

Competition

The Company competes with other companies for precious metal purchase agreements and similar transactions. Some of these companies may possess greater financial and technical resources than the Company. Such competition may result in the Company being unable to enter into desirable precious metal purchase agreements or similar transactions, to recruit or retain qualified employees or to acquire the capital necessary to fund its precious metal purchase agreements. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for entering into additional precious metal purchase agreements in the future.

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration, mining and development opportunities in the resource industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

In the event that the Company chooses to raise debt capital to finance any acquisition, the Company's leverage will be increased. In addition, if the Company chooses to complete an equity financing to finance any acquisition, shareholders may suffer dilution.

In addition, the introduction of new tax laws or regulations, or accounting rules or policies, or rating agency policies, or changes to, or differing interpretations of, or application of, existing tax laws or regulations or accounting rules or policies, could make precious metal purchase agreements less attractive to counterparties. Such changes could adversely affect the Company's ability to enter into new precious metal purchase agreements.

Market Price of the Common Shares

The Common Shares are listed and posted for trading on the TSX and on the NYSE. An investment in the Company's securities is highly speculative. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the Common Shares are also likely to be significantly affected by short-term changes in silver and gold prices, the Company's financial condition or results of operations as reflected in its quarterly earnings reports, currency exchange fluctuations and the other risk factors identified herein.

Equity Price Risk

The Company is exposed to equity price risk as a result of holding long-term investments in other exploration and mining companies. Just as investing in the Company is inherent with risks such as those set out in this annual information form, by investing in these other companies, the Company is exposed to the risks associated with owning equity securities and those risks inherent in the investee companies. The Company does not actively trade these investments.

Dividend Policy

The declaration, timing, amount and payment of dividends is at the discretion of the Company's Board of Directors. There can be no assurance that the Company will continue to declare a dividend on a quarterly, annual or other basis.

Dependence Upon Key Management Personnel

The Company is dependent on the services of a small number of key executives who are highly skilled and experienced. The loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Litigation

The Company is from time to time involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Company is unable to resolve these disputes favourably, it may have a material adverse impact on the Company's financial performance, cash flows or results of operations.

The Company may fail to achieve and maintain the adequacy of internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act

The Company documented and tested during its most recent fiscal year, its internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("SOX"). SOX requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting and an attestation report by the Company's independent auditors addressing this assessment. The Company may fail to achieve and maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with Section 404 of SOX. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of the Common Shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. There can be no assurance that the Company will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance, and there can be no assurance that the Company will be able to retain sufficient skilled finance and accounting personnel. Future acquisitions of companies, if any, may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Future acquired companies, if any, may not have disclosure controls and procedures or internal control over financing reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's control and procedures could also be limited by simple errors or faulty judgments. In addition, as the Company continues to expand, the challenges involved in implementing appropriate internal controls over financial reporting will increase and will require that the Company continue to improve its internal controls over financial reporting. Although the Company intends to devote substantial time and incur costs, as necessary, to ensure ongoing compliance, the Company cannot be certain that it will be successful in complying with Section 404 of SOX.

Risks Relating to the Mining Operations

Governmental Regulations

The Mining Operations are subject to extensive laws and regulations governing exploration, development, production, exports, taxes, labour standards, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resources preservation, mine safety and occupation health, handling, storage and transportation of hazardous substances and other matters. The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Mining Operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that the owners or operators of the Mining Operations would not proceed with the development of or continue to operate a mine. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from the Mining Operations could result in substantial costs and liabilities for the owners or operators of the Mining Operations in the future such that they would not proceed with the development of, or continue to operate, a mine.

With respect to the Argentinean federal glacier protection law and other environmental matters, see “Description of the Business – Pascua-Lama Project, Border of Chile and Argentina – Environment”.

International Operations

The operations at the Luismin mines (the San Dimas Mines and the Los Filos Mine), the Peñasquito Mine, the Campo Morado Mine and the Cozamin Mine are conducted in Mexico, the operations at the Salobo Mine are conducted in Brazil, the operations at the Zinkgruvan Mine are conducted in Sweden, the operations at the Yauliyacu Mine, the Lagunas Norte Mine, the Pierina Mine and the Constancia Project are conducted in Perú, the operations of the Stratoni Mine are conducted in Greece, the operations at the Mineral Park Mine and the Rosemont Project are conducted in the United States, the operations of the Keno Hill Mines, the Minto Mine, the 777 Mine and the Sudbury Mines are conducted in Canada, the operations of the Pascua-Lama Project are conducted in Chile and Argentina, the operations of the Veladero Mine and the Loma de La Plata Project are conducted in Argentina, and the operations of the Neves-Corvo Mine and the Aljustrel Mine are conducted in Portugal, and as such the operations are all exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business. Argentina, Perú and Greece are countries that have experienced political, social and economic unrest in the past and protestors have from time to time targeted foreign mining firms.

Changes, if any, in mining or investment policies or shifts in political attitude may adversely affect the operations or profitability of the Mining Operations in these countries. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety and the rewarding of contracts to local contractors or requiring foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Mining Operations.

Exploration, Development and Operating Risks

Mining operations generally involve a high degree of risk. The Mining Operations are subject to all the hazards and risks normally encountered in the exploration, development and production of metals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, environmental hazards and the discharge of toxic chemicals, explosions and other conditions involved in the drilling, blasting and removal of material, any of which could result in damage to, or destruction of mines and other producing facilities, damage to property, injury or loss of life, environmental damage, work stoppages, delays in production, increased production costs and possible legal liability. Milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability for the owners or operators of the Mining Operations.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties which are explored are ultimately developed into producing mines. Major expenditures may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the owners or operators of the Mining Operations will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection; and political stability. The exact effect of these factors cannot be accurately predicted. There can be no assurances that the feasibility of Mining Operations will be established or that the Mining Operations, which are not currently in production, will be brought into a state of commercial production.

Environmental Regulation

All phases of mining and exploration operations are subject to governmental regulation including environmental regulation. Environmental legislation is becoming stricter, with increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and heightened responsibility for companies and their officers, directors and employees. There can be no assurance that possible future changes in environmental regulation will not adversely affect the Mining Operations. As well, environmental hazards may exist on a property in which the owners or operators of the Mining Operations hold an interest which were caused by previous or existing owners or operators of the properties and of which such owners or operators are not aware at present and which could impair the commercial success, levels of production and continued feasibility and project development and mining operations on these properties.

Permitting

The Mining Operations are subject to receiving and maintaining permits from appropriate governmental authorities. There can be no assurance that delays will not occur in connection with obtaining all necessary renewals of such permits for the existing operations, additional permits for any possible future changes to operations or additional permits associated with new legislation. Prior to any development on any of these properties, permits from appropriate governmental authorities may be required. There can be no assurance that the owners or operators of the Mining Operations will continue to hold all permits necessary to develop or continue operating at any particular property. See “Permitting, Construction, Development and Expansion Risk” for additional permitting risks associated with developmental projects.

Compliance with Laws

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, or more stringent application of existing laws, may have a material adverse impact on the owners or operators of the Mining Operations, resulting in increased capital expenditures or production costs, reduced levels of production at producing properties or abandonment or delays in development of properties.

Infrastructure

Natural resource exploration, development and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the owners and operators of the Mining Operations and may delay exploration, development or extraction activities. Certain equipment may not be immediately available, or may require long lead time orders. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploration, development or production at the Mining Operations.

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Mining Operations.

Mineral Reserve and Mineral Resource Estimates

The reported mineral reserves and mineral resources for the Mining Operations are only estimates. No assurance can be given that the estimated mineral reserves and mineral resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and mineral resource estimates are based on limited sampling and geological interpretation, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and mineral resource estimates may require revision (either up or down) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves and mineral resources uneconomic and may ultimately result in a restatement of estimated mineral reserves and/or mineral resources.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty of inferred mineral resources, there is no assurance that inferred mineral resources will be upgraded to proven and probable mineral reserves as a result of continued exploration.

Need for Additional Mineral Reserves

Because mines have limited lives based primarily on proven and probable mineral reserves, the Mining Operations must continually replace and expand their mineral reserves as their mines produce metals. The life-of-mine estimates for the Mining Operations may not be correct. The ability of the owners or operators of the Mining Operations to maintain or increase their annual production of silver or gold will be dependent in significant part on their ability to bring new mines into production and to expand mineral reserves at existing mines.

Land Title

No assurances can be given that there are no title defects affecting the properties and mineral claims owned or used by the Mining Operations. Such properties and claims may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the operators of such operations may be unable to operate them as permitted or to enforce their rights with respect to their properties and claims which may ultimately impair the ability of these operators to fulfill their obligations under the silver and precious metal purchase agreements with the Company.

Commodity Price Fluctuations

The price of metals has fluctuated widely in recent years, and future serious price declines could cause continued development of and commercial production from the Mining Operations to be impracticable. Depending on the price of other metals produced from the mines which generate cash flow to the owners, cash flow from the Mining Operations may not be sufficient and such owners could be forced to discontinue production and may lose their interest in, or may be forced to sell, some of their properties. Future production from the Mining Operations is dependent on metal prices that are adequate to make these properties economic.

In addition to adversely affecting the reserve estimates and financial conditions, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Additional Capital

The mining, processing, development and exploration of the Mining Operations may require substantial additional financing. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of the Mining Operations and related properties or even a loss of property interest. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on satisfactory terms.

Permitting, Construction, Development and Expansion Risk

The Salobo Mine, the Peñasquito Mine, the Keno Hill Mines, the Pascua-Lama Project, the Loma de La Plata Project, the Rosemont Project, the Constancia Project and the Toroparu Project are currently in various stages of permitting, construction, development and expansion. Construction, development and expansion of such projects is subject to numerous risks, including, but not limited to, delays in obtaining equipment, material and services essential to completing construction of such projects in a timely manner; delays or inability to obtain all required permits; changes in environmental or other government regulations; currency exchange rates; labour shortages; and fluctuation in metal prices. There can be no assurance that the operators of such projects will have the financial, technical and operational resources to complete the permitting, construction, development and expansion of such projects in accordance with current expectations or at all.

TECHNICAL INFORMATION

CIM Standards Definitions

The estimated Mineral Reserves and Mineral Resources for the Mining Operations have been calculated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") — Definitions adopted by CIM Council on November 27, 2010 (the "CIM Standards") or in accordance with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the "JORC Code"), the Australian worldwide standards, and were restated in accordance with the requirements of the Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") to comply with the CIM Standards. The following definitions are reproduced from the CIM Standards:

The term "***Mineral Resource***" is a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

The term "***Inferred Mineral Resource***" is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

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

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

The term "***Mineral Reserve***" is the economically mineable part of a Measured or Indicated Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

The term "***Probable Mineral Reserve***" is the economically mineable part of an Indicated Mineral Resource and, in some circumstances, a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

The term "***Proven Mineral Reserve***" is the economically mineable part of a Measured Mineral Resource demonstrated by at least a Preliminary Feasibility Study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Mineral Resources

This annual information form uses the terms "Measured", "Indicated" and "Inferred" Mineral Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them and expressly prohibits U.S. registered companies from including such terms in their filings with the United States Securities and Exchange Commission. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. **United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.**

Summary of Mineral Reserves and Mineral Resources

The following tables set forth the estimated Mineral Reserves and Mineral Resources (silver and/or gold only) for the mines relating to which the Company has purchase agreements, adjusted where applicable to reflect the Company's percentage entitlement to silver and/or gold produced from such mines, as of December 31, 2013, unless otherwise noted. The tables are based on information available to the Company as of the date of this document, and therefore will not reflect updates, if any, after such date. The most current Mineral Reserves and Mineral Resources will be available on the Company's website:

Attributable Proven and Probable Reserves [1,2,3,8,18]

As of December 31, 2013 unless otherwise noted [6]

	Proven			Probable			Proven & Probable			
	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz	Process Recovery % [7]
Silver										
Peñasquito (25%) [14]										
Mill	83.8	34.7	93.4	48.7	24.7	38.7	132.5	31.0	132.1	53-65%
Heap Leach	10.5	32.7	11.0	10.4	24.6	8.2	20.9	28.7	19.2	22-28%
San Dimas [10, 14]	0.9	345.2	10.3	4.0	307.3	39.2	4.9	314.5	49.5	94%
Pascua-Lama (25%) [14]	8.0	69.8	17.9	73.2	64.1	150.8	81.2	64.7	168.7	82%
Lagunas Norte [11]	9.8	3.8	1.2	52.1	3.8	6.4	61.9	3.8	7.6	19%
Veladero [11]	7.3	14.3	3.4	92.0	14.3	42.2	99.4	14.3	45.6	6%
Yauliyacu [11, 12]	1.1	106.0	3.6	3.3	110.0	11.7	4.4	109.0	15.3	85%
777 [13, 14]	4.9	24.7	3.9	5.7	24.7	4.5	10.6	24.7	8.4	64%
Neves-Corvo										
Copper	5.8	41.0	7.7	21.2	36.0	24.5	27.0	37.1	32.2	35%
Zinc	10.7	74.0	25.5	12.6	67.0	27.1	23.3	70.2	52.6	20%
Rosemont [15]	279.5	4.1	37.0	325.8	4.1	43.1	605.3	4.1	80.1	76%
Constancia	506.0	3.1	50.3	114.0	2.9	10.8	620.0	3.1	61.1	71%
Mineral Park [15]	189.5	2.8	16.9	145.2	3.0	14.0	334.7	2.9	30.9	49%
Zinkgruvan										
Zinc	8.5	86.0	23.5	3.3	51.0	5.4	11.8	76.2	28.9	87%
Copper	3.8	31.0	3.8	0.1	35.0	0.1	3.9	31.1	3.9	78%
Aljustrel										
Copper	2.2	19.2	1.3	8.4	15.3	4.1	10.6	16.1	5.5	25%
Campo Morado (75%)	0.8	158.2	4.0	0.2	133.3	0.6	0.9	154.3	4.7	45%
Stratoni	0.8	172.0	4.2	0.4	176.0	2.1	1.1	173.3	6.3	84%
Minto	3.8	5.9	0.7	5.7	5.7	1.0	9.5	5.7	1.8	78%
Cozamin[11]										
Copper	1.0	60.0	2.0	2.9	40.2	3.8	3.9	45.3	5.7	72%
Los Filos	67.2	5.6	12.2	243.2	5.4	42.4	310.4	5.5	54.5	5%
Total Silver			**333.7**			**480.7**			**814.4**	
Gold										
Salobo (25%) [16]	160.4	0.41	2.12	123.7	0.32	1.27	284.1	0.37	3.39	66%
Sudbury (70%) [11]	33.9	0.38	0.41	31.7	0.38	0.39	65.5	0.38	0.80	81%
777 [13, 14]	3.5	1.81	0.21	4.1	1.81	0.24	7.7	1.81	0.45	73%
Constancia (50%)	253.0	0.05	0.42	57.0	0.07	0.14	310.0	0.06	0.56	61%
Minto	3.8	0.80	0.10	5.7	0.60	0.11	9.5	0.68	0.21	74%
Toroparu (10%) [17]	3.0	1.10	0.10	9.7	0.98	0.31	12.7	1.01	0.41	89%
Total Gold			**3.36**			**2.45**			**5.81**	

See Notes Below.

Attributable Measured & Indicated Resources [1,2,3,4,5,9,18]

As of December 31, 2013 unless otherwise noted [6]

	Measured			Indicated			Measured & Indicated		
	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz
Silver									
Peñasquito (25%) [14]									
Mill	8.1	23.5	6.1	62.1	30.8	61.5	70.2	30.0	67.6
Heap Leach	0.1	11.1	0.02	1.0	15.8	0.5	1.0	15.6	0.5
Pascua-Lama (25%) [14]	3.7	26.4	3.1	35.7	22.3	25.5	39.4	22.7	28.7
Yauliyacu [11, 12]	0.7	120.4	2.6	5.4	228.5	39.6	6.1	216.5	42.2
Neves-Corvo									
Copper	4.8	49.4	7.7	24.6	52.8	41.7	29.4	52.2	49.4
Zinc	13.3	60.5	25.9	55.3	55.3	98.3	68.6	56.3	124.2
Rosemont [15]	38.5	3.0	3.7	197.7	2.7	17.1	236.2	2.7	20.8
Constancia	73.0	2.4	5.6	299.0	2.0	19.4	372.0	2.1	25.0
Mineral Park [15]	-	-	-	539.4	2.3	40.5	539.4	2.3	40.5
Zinkgruvan									
Zinc	0.7	146.4	3.5	3.4	123.5	13.5	4.1	127.6	17.0
Copper	1.4	23.3	1.0	0.6	37.0	0.7	1.9	27.2	1.7
Aljustrel									
Zinc	1.3	65.6	2.7	20.5	60.3	39.7	21.8	60.7	42.4
Copper	-	-	-	0.1	11.7	0.04	0.1	11.7	0.04
Campo Morado (75%)	5.0	128.9	20.6	2.4	123.5	9.7	7.4	127.1	30.2
Stratoni	0.2	213.9	1.1	0.2	224.3	1.3	0.3	219.4	2.3
Minto	7.5	3.6	0.9	32.3	3.4	3.5	39.8	3.4	4.3
Keno Hill (25%)									
Underground	-	-	-	0.7	479.0	10.0	0.7	479.0	10.0
Elsa Tailings	-	-	-	0.6	119.0	2.4	0.6	119.0	2.4
Los Filos	9.9	11.5	3.6	71.4	7.1	16.2	81.3	7.6	19.8
Loma de La Plata (12.5%)	-	-	-	3.6	169.0	19.8	3.6	169.0	19.8
Total Silver			**88.1**			**460.8**			**548.9**
Gold									
Salobo (25%) [16]	12.3	0.47	0.19	48.8	0.37	0.58	61.1	0.39	0.77
Sudbury (70%) [11]	-	-	-	23.1	0.34	0.25	23.1	0.34	0.25
Constancia (50%)	36.5	0.05	0.06	149.5	0.04	0.18	186.0	0.04	0.23
Minto	7.5	0.42	0.10	32.3	0.32	0.33	39.8	0.34	0.43
Toroparu (10%) [17]	0.9	0.87	0.03	7.9	0.83	0.21	8.8	0.84	0.24
Total Gold			**0.37**			**1.55**			**1.92**

See Notes Below.

Attributable Inferred Resources [1,2,3,4,5,9,18]

As of December 31, 2013 unless otherwise noted [6]

	Inferred		
	Tonnage Mt	Grade g/t	Contained Moz
Silver			
Peñasquito (25%) [14]			
Mill	10.2	30.8	10.1
Heap Leach	0.4	14.5	0.2
San Dimas [10,14]	7.3	309.5	73.0
Pascua-Lama (25%) [14]	4.9	20.1	3.2
Yauliyacu [11, 12]	5.8	180.8	33.5
777 [13, 14]	0.8	30.6	0.8
Neves-Corvo			
Copper	24.7	44.7	35.5
Zinc	22.5	51.0	36.9
Rosemont [15]	104.5	3.3	11.1
Constancia	200.0	1.9	12.0
Mineral Park [15]	362.2	2.7	31.1
Zinkgruvan			
Zinc	5.0	83.0	13.3
Copper	0.6	34.0	0.7
Aljustrel			
Zinc	8.7	50.4	14.0
Copper	4.7	16.0	2.4
Campo Morado (75%)	1.7	128.9	7.1
Stratoni	0.5	169.0	2.7
Minto	16.2	3.2	1.7
Keno Hill (25%)			
Underground	0.2	368.9	2.5
Los Filos	191.7	6.0	36.8
Loma de La Plata (12.5%)	0.2	76.0	0.4
Total Silver			**328.8**
Gold			
Salobo (25%) [16]	37.0	0.31	0.37
Sudbury (70%) [11]	7.2	0.27	0.06
777 [13, 14]	0.4	1.77	0.02
Constancia (50%)	100.0	0.03	0.10
Minto	16.2	0.30	0.16
Toroparu (10%) [17]	13.0	0.74	0.31
Total Gold			**1.02**

(1) All Mineral Reserves and Mineral Resources have been calculated in accordance with the CIM Standards and NI 43-101, or the AusIMM JORC equivalent.

(2) Mineral Reserves and Mineral Resources are reported above in millions of metric tonnes ("Mt"), grams per metric tonne ("g/t") and millions of ounces ("Moz").

(3) Individual qualified persons ("QPs"), as defined by the NI 43-101, for the technical information contained in this document (including the Mineral Reserve and Mineral Resource estimates) for the following operations are as follows:

a. Salobo Mine – Christopher Jacobs, CEng MIMMM (Vice President and Mining Economist), James Turner, CEng MIMMM (Senior Mineral Process Engineer), Barnard Foo, P. Eng., M. Eng, MBA (Senior Mining Engineer) and Jason Ché Osmond, FGS, C.Geol, EurGeol (Senior Geologist) all of whom are employees of Micon International Ltd.

b. All other operations and development projects: the Company's QPs Neil Burns, M.Sc., P.Geo. (Vice President, Technical Services); Samuel Mah, M.A.Sc., P.Eng. (Senior Director, Project Evaluations), both employees of the Company (the "Company's QPs").

(4) The Mineral Resources reported in the above tables are exclusive of Mineral Reserves. The Minto Mine, Campo Morado Mine, Neves-Corvo Mine, Zinkgruvan Mine and Aljustrel Mine report Mineral Resources inclusive of Mineral Reserves. The Company's QPs have made the exclusive Mineral Resource estimates for these mines based on average mine recoveries and dilution.

(5) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

(6) Other than as detailed below, Mineral Reserves and Mineral Resources are reported as of December 31, 2013 based on information available to the Company as of the date of this document, and therefore will not reflect updates, if any, after such date.

a. Mineral Resources and Mineral Reserves for Campo Morado's G-9 Mine are reported as of December 31, 2012.
b. Mineral Resources and Mineral Reserves for Toroparu Project are reported as of March 31, 2013.
c. Mineral Resources and Mineral Reserves for Neves-Corvo Mine and Zinkgruvan Mine are reported as of June 30, 2013.
d. Mineral Resources and Mineral Reserves for Mineral Park Mine are reported as of June 1, 2013.
e. Mineral Resources and Mineral Reserves for Rosemont Project are reported as of August 28, 2012.
f. Mineral Resources for the Constancia Project (including Pampacancha Deposit) are reported as of September 30, 2013.
g. Mineral Resources and Mineral Reserves for Aljustrel's Feitais and Moinho mines are reported as of November 30, 2010. Mineral Resources for the Estaçao project are reported as of December 31, 2007.

h. Mineral Resources for Campo Morado's El Largo, El Rey, Naranjo and Reforma projects are reported as of October 13, 2005.
i. Mineral Resources for Keno Hill's Elsa Tailings project are reported as of April 22, 2010, Lucky Queen and Onek projects as of July 27, 2011, Bermingham project as of June 27, 2012, Flame and Moth project as of January 30, 2013, Bellekeno mine Inferred Mineral Resources as of May 31, 2012 and Bellekeno mine Indicated Mineral Resources as of September 30, 2013.
j. Mineral Resources for Loma de La Plata Project are reported as of May 20, 2009.

(7) Process recoveries are the average percentage of silver or gold in a saleable product (doré or concentrate) recovered from mined ore at the applicable site process plants as reported by the operators.

(8) Mineral Reserves are estimated using appropriate process recovery rates and the following commodity prices:

a. Peñasquito Mine - $1,300 per ounce gold, $22 per ounce silver $3.00 per pound copper, $0.90 per pound lead and $0.90 per pound zinc.
b. San Dimas Mines – 2.7 grams per tonne gold equivalent cut-off assuming $1,250 per gold ounce and $20.00 per ounce silver.
c. Pascua-Lama Project, Lagunas Norte and Veladero mines - $1,100 per ounce gold, $21.00 per ounce silver and $3.00 per pound copper.
d. Yauliyacu Mine - $22.00 per ounce silver, $3.27 per pound copper, $0.98 per pound lead and $0.91 per pound zinc.
e. 777 Mine – $1,250 per ounce gold, $25.00 per ounce silver, $3.00 per pound copper and $1.06 per pound zinc.
f. Neves-Corvo Mine – 1.6% copper cut-off for the copper Reserve and 4.8% zinc cut-off for all the zinc Reserves.
g. Rosemont Project - $4.90 per ton NSR cut-off assuming $20.00 per ounce silver, $2.50 per pound copper and $15.00 per pound molybdenum.
h. Constancia Project - $1,250 per gold ounce, $25.00 per ounce silver, $3.00 per pound copper and $14.00 per pound molybdenum.
i. Mineral Park Mine – 0.21% copper equivalent cut-off assuming $3.90 per ounce silver, $2.60 per pound copper and $9.95 per pound molybdenum.
j. Zinkgruvan Mine – 3.8% zinc equivalent cut-off for the zinc Reserve assuming $2.50 per pound copper and $1.00 per pound lead and zinc and 1.5% copper cut-off for the copper Reserve.
k. Aljustrel Mine – 1.5% copper cut-off for all copper Reserves, 4.5% zinc cut-off for all zinc Reserves.
l. Campo Morado Mine - $18.92 per ounce silver.
m. Stratoni Mine – 16.85% zinc equivalent assuming $1,250 per ounce gold, $16.50 per ounce silver, $3.00 per pound copper, $0.95 per pound lead and $0.86 per pound zinc.
n. Minto Mine – 0.5% copper cut-off for Open Pit and $64.4 per tonne NSR cut-off for Underground assuming $300 per ounce gold, $3.90 per ounce silver and $2.50 per pound copper.
o. Cozamin Mine - $40 per tonne NSR cut-off assuming $20.00 per ounce silver, $2.50 per pound copper, $0.85 per pound lead and $0.80 per pound zinc.
p. Los Filos Mine - $1,300 per ounce gold and $22.00 per ounce silver.
q. Salobo Mine – 0.249% copper equivalent cut-off assuming $1,200 per ounce gold and $3.45 per pound copper.
r. Sudbury Mines - $1,543 per ounce gold, $8.34 per pound nickel, $3.64 per pound copper, $1,590 per ounce platinum, $718 per ounce palladium and $13.75 per pound cobalt.
s. Toroparu Project - $1,070 per ounce gold for fresh rock and $970 per ounce gold for saprolite.

(9) Mineral Resources are estimated using appropriate recovery rates and the following commodity prices:

a. Peñasquito Mine - $1,500 per ounce gold, $24.00 per ounce silver, $3.50 per pound copper, $1.00 per pound lead and $1.00 per pound zinc.
b. San Dimas Mines – 0.2 grams per tonne gold equivalent assuming $1,300 per ounce gold and $20.00 per ounce silver.
c. Pascua-Lama Project – $1,500 per ounce gold, $24.00 per ounce silver and $3.50 per pound copper.
d. Yauliyacu Mine – $30.00 per ounce silver.
e. 777 Mine – $1,250 per ounce gold, $25.00 per ounce silver, $3.00 per pound copper and $1.06 per pound zinc.
f. Neves-Corvo Mine – 1.0% copper cut-off for the copper Resource and 3.0% zinc cut-off for the zinc Resource.
g. Rosemont Project – 0.30% copper equivalent cut-off for Mixed and 0.15% copper equivalent for Sulfide assuming $20.00 per ounce silver, $2.50 per pound copper and $15.00 per pound molybdenum.
h. Constancia Project – 0.12% copper cut-off for Constancia and 0.10% copper cut-off for Pampacancha.
i. Mineral Park Mine – 0.126% copper equivalent assuming $3.90 per ounce silver, $3.66 per pound copper and $13.65 per pound molybdenum.
j. Zinkgruvan Mine – 3.8% zinc equivalent cut-off for the zinc Resource assuming $2.50 per pound copper and $1.00 per pound lead and zinc and 1.0% copper cut-off for the copper Resource.
k. Aljustrel Mine – 1.5% copper cut-off for all copper Resources, 4.5% zinc cut-off for Feitais and Moinho mines zinc Resources and 4.0% for Estação zinc Resources.
l. Campo Morado Mine – $18.92 per ounce silver for the G-9 zones and 5% zinc cut-off for the El Rey, Naranjo and Reforma projects.
m. Stratoni Mine - $1,250 per ounce gold, $16.50 per ounce silver, $3.00 per pound copper, $0.95 per pound lead and $0.86 per pound zinc.
n. Minto Mine – 0.5% copper cut-off.
o. Cozamin Mine – $35 per tonne NSR cut-off assuming $20.00 per ounce silver, $2.50 per pound copper, $0.85 per pound lead and $0.80 per pound zinc.
p. Keno Hill Mines:

i. Bellekeno mine and Flame and Moth projects - $185 per tonne NSR cut-off assuming $1,400 per ounce gold, $22.50 per ounce silver, $0.95 per ounce lead and $0.85 per ounce zinc.
ii. Bermingham project - $185 per tonne NSR cut-off assuming $1,350 per ounce gold, $23.00 per ounce silver, $0.95 per pound lead and $0.85 per pound zinc.
iii. Lucky Queen and Onek projects - $185 per tonne NSR cut-off assuming $1,100 per ounce gold, $18.50 per ounce silver, $0.95 per pound lead and $0.90 per pound zinc.
iv. Elsa Tailings project – 50 grams per tonne silver cut-off.

q. Los Filos Mine - $1,500 per ounce gold and $24.00 per ounce silver.
r. Loma de La Plata Project – $12.50 per ounce silver and $0.50 per pound lead.
s. Salobo Mine – 0.296% copper equivalent assuming $1,500 per ounce gold $3.67 per pound copper.
t. Sudbury Mines - $1,590 per ounce gold, $8.34 per pound nickel, $3.64 per pound copper, $1,590 per ounce platinum, $718 per ounce palladium and $13.75 per pound cobalt.
u. Toroparu Project - $1,350 per ounce gold.

(10) The San Dimas Silver Purchase Agreement provides that from August 6, 2010 until August 5, 2014, Primero will deliver to the Company a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas Mines and 50% of any excess, plus the Company will receive an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp. Beginning August 6, 2014, Primero will deliver to the Company a per annum amount equal to the first 6.0 million ounces of payable silver produced at San Dimas Mines and 50% of any excess, for the life of the mine.

(11) The Company's attributable Mineral Resources and Mineral Reserves for Lagunas Norte Mine, Veladero Mine, Cozamin Mine and Yauliyacu silver interests, in addition to the Sudbury Mines and 777 Mine gold interests, have been constrained to the production expected for the various contracts.

(12) The Company's Yauliyacu silver purchase agreement (March 2006) with Glencore provides for the delivery of up to 4.75 million ounces of silver per year for 20 years. In the event that silver sold and delivered to Silver Wheaton in any year totals less than 4.75 million ounces, the amount sold and delivered to Silver Wheaton in subsequent years will be increased to make up for any cumulative shortfall, to the extent production permits. Depending upon production levels it is possible that the Company's current attributable tonnage may not be mined before the agreement expires.

(13) The 777 Purchase Agreement provides that Hudbay will deliver 100% of the payable silver for the life of the mine and 100% of the payable gold until completion of the Constancia Project, after which the gold stream will reduce to 50%. The gold figures in this table represent the attributable 777 Mine Mineral Resources and Mineral Reserves constrained to the production expected for the 777 Purchase Agreement.

(14) The scientific and technical information in this document regarding Peñasquito Mine, San Dimas Mines and Pascua-Lama Project was sourced by the Company from the following SEDAR (www.sedar.com) filed documents:

a. Peñasquito - Goldcorp annual information Form filed on March 31,2014;
b. San Dimas - Primero annual information Form filed on March 31, 2014; and
c. Pascua-Lama - Barrick Gold Corp. annual information Form filed on March 31, 2014.

The Company QP's have approved the disclosure of scientific and technical information in respect of Peñasquito Mine, San Dimas Mines and Pascua- Lama Project in this document.

(15) The Mineral Park and Rosemont Resources and Reserves do not include the SX/EW leach material since this process does not recover silver.

(16) The Company has filed a technical report for the Salobo Mine, which is available on SEDAR at www.sedar.com.

(17) The Company's agreement with Sandspring is an early deposit structure whereby the Company will have the option to secure a 10% gold stream on the Toroparu Project following the delivery of a bankable definitive feasibility study.

(18) Silver and gold are produced as by-product metal at all operations with the exception of silver at the Keno Hill Mines and Loma de La Plata Project and gold at the Toroparu Project; therefore, the economic cut-off applied to the reporting of silver and gold Mineral Resources and Mineral Reserves will be influenced by changes in the commodity prices of other metals at the time.

FURTHER DISCLOSURE REGARDING MINERAL PROJECTS ON MATERIAL PROPERTIES

SAN DIMAS MINES, MEXICO

The following description of the San Dimas Mines is based on the information disclosed in th **e** annual information form of Primero filed on March 31, 2014. The Company QP's have approved the disclosure of scientific and technical information in respect of the San Dimas Mines in this document.

Property Description and Location

The San Dimas Mines are located on the borders of the Durango and Sinaloa states, approximately 125 km northeast of Mazatlan, Sinaloa and 150 kilometres west of the city of Durango, Durango, in Mexico. The property is centered on latitude 24°06'N and longitude 105°56'W.

The San Dimas Mines property consists of 66 contiguous concessions covering 24,966 hectares, having expiry dates ranging from 2019 to 2060. As per Mexican requirements for grant of tenure, the concessions comprising the San Dimas Mines have been surveyed on the ground by a licensed surveyor. All appropriate payments have been made to the relevant authorities and the licenses are in good standing. Primero has secured surface rights by either acquisition of private and public land or by entering into temporary occupation agreements with surrounding communities.

In 2013, the Mexican federal government introduced a mining royalty, effective January 1, 2014, based on 7.5% of taxable earnings before interest and depreciation. In addition, precious metals mining companies must pay a 0.5% royalty on revenues from gold, silver and platinum.

Primero holds the appropriate permits under local, State and Federal laws to allow mining operations at San Dimas. The main environmental permit is the Licencia Ambiental Unica under which the mine operates its "industrial facilities". The mine and mill expansion of the San Dimas Mines is also covered by this permit. Other significant permits are those related to water supply and water discharge rights. A waste pad project commenced in 2013 for which both the environmental impact study and the technical justification were approved by the Secretaria de Medio Ambiente y Recursos Naturales and the Mexican environmental protection agency. In addition, permits were received from the Commssión Nacional de Agua regarding the Piaxtla River diversion that is part of this waste pad project. As of March 2014, the river's course has been diverted through the new canal and the aquative life recovery had been achieved. The new waste pad is not operational yet but will be activated later on in 2014.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Access

Access to the San Dimas area is by air or road from the city of Durango. By road the trip requires approximately ten hours. Primero maintains a de Havilland Twin Otter aircraft and a helicopter, both of which are based at Tayoltita. Travel from either Mazatlan or Durango to Tayoltita requires an approximate half hour flight in the Twin Otter aircraft. Most of the personnel and light supplies for the San Dimas Mines arrive on Primero's regular flights from Mazatlan and Durango. Heavy equipment and supplies are brought in by road from Durango.

Climate

The climate of the San Dimas area is semi-tropical, characterized by relatively high temperatures and humidity, with hot summers (maximum about 35 degrees Celsius) and mild winters. At higher elevations in the Sierra, frosty nights occur in the winter (November to March). The majority of the precipitation occurs in the summer (June through September); however, tropical rainstorms during October to January can result in considerable additional rainfall. The total average annual rainfall varies from about 66 to 108 centimetres. Weather does not affect the operations and mining is carried out throughout the year.

Local Resources and Infrastructure

Mining at the San Dimas Mines is done by a mixture of contract mining and Primero personnel. Tayoltita is the most important population centre in the region with approximately 8,000 inhabitants, including mining personnel, and the population outside of this centre is sparse. Subsistence farming, ranching, mining and timber cutting are the predominant activities of the region's population.

Water for the mining operations is obtained from wells and from the Piaxtla River. Water is also supplied by Primero to the town of Tayoltita from an underground thermal spring at the Santa Rita mine.

Electrical power is provided by a combination of Primero's own hydro generation system – Las Truchas – and the Federal Power Commission Supply System (the "FPCSS"). Primero operates hydroelectric and back-up diesel generators, which are interconnected with the FPCSS. Las Truchas provides about 75 percent of the total requirement of the San Dimas Mines during nine months of the year. During the remaining three months of the year, corresponding to the dry season, the power for operations at San Dimas is mainly supplied by the FPCSS. Primero is currently expanding the power generation of the Las Truchas facility from 50 gigawatts to 75 gigawatts.

The main infrastructure of the San Dimas district consists of roads, a townsite, an airport, the crushing and processing facilities of the Tayoltita mill, the old San Antonio mill, the Tayoltita/Cupias and San Antonio tailings facilities, the Las Truchas hydro generation facilities, a diesel power plant and the San Dimas Mines, which are divided into five blocks: West Block (San Antonio mine), Sinaloa Graben Block, Central Block, and the Tayoltita and Arana Blocks (Santa Rita mine). The San Antonio mill and tailings facilities are currently under reclamation. Primero holds sufficient surface rights to support the San Dimas mine operations, and associated infrastructure. Environmental permits are required from various federal, provincial, and municipal agencies, and are in place for all current operations. No new permits are currently required for current exploration activity and mining operations, but existing permit amendments are required from time to time.

Physiography and Vegetation

The San Dimas district is located in the central part of the Sierra Madre Occidental, a mountain range characterized by very rugged topography with steep, often vertical walled valleys and narrow canyons. Elevations vary from 2,400 metres above mean sea level ("amsl") on the high peaks to elevations of 400 metres amsl in the valley floor of the Piaxtla River. Vegetation is dominated by pines, junipers and, to a lesser extent, oaks at higher elevations while lower slopes and valleys are covered with thick brush, cacti and grass.

History

Prior Ownership

The San Dimas property contains a series of epithermal gold silver veins that have been mined intermittently since 1757. Modern mining began in the 1880s, when the American San Luis Mining Company acquired the Tayoltita mine and American Colonel Daniel Burns took control of the Candelaria mine and began working in the area, and has continued under different owners to the present. By 1940, the San Luis Mining Company had acquired the Candelaria and the Contraestaca mines.

A mining law introduced in 1959 in Mexico required the majority of a Mexican mining company to be held by a Mexican entity and forced the sale of 51 percent of the shares of the San Luis Mining Company to Mexicans. In 1961, the Minas de San Luis S.A. de C.V. was formed and assumed operations of the mine. In 1978, the remaining 49 percent interest was obtained by Luismin S.A. de C.V ("Luismin").

In 2002, Wheaton River Minerals Ltd. ("Wheaton River") acquired the property and, in 2005, Wheaton River merged with Goldcorp. Through its wholly-owned subsidiary, Primero Empresa, Primero acquired the San Dimas Mines from subsidiaries of Goldcorp in August 2010.

Historical Exploration and Development Work

In the San Dimas mining district there are historical records that mention workings since 1757, but it was not until 1890 that there were formal operations by the San Luis Mining Company and Mexican Candelaria Company. In 1904, the first cyanide mill in Mexico was built at Tayoltita. By 1940, the Candelaria mine had been mined out.

In the 1960s, higher grade discoveries led to the first deep drilling campaigns and to the initial long tunnels. In 1975, the first 4.5 kilometre tunnel (deepest in the district) was completed in the Tayoltita mine, this being an area where ore discoveries such as the San Luis vein had taken place following the “Favourable Zone” concept aided by field geology. In the 1980s, American and Mexican groups commenced operations that led to the first geophysical and geochemical exploration in the east “Tayoltita-Santa Rita” block.

By the late 1980’s and early 1990’s, the Favourable Zone concept and gold/silver ratios supported by fluid inclusion and thermal fusion studies led to discovery of the San Antonio and Santa Rita deposits. After acquisition of the whole property by the Mexican group there was a significant reduction in exploration activities throughout the whole mining district.

In 2002, foreign investment (mainly Canadian) returned and the operation was acquired as a whole, which resulted in a substantial increase in drilling “long” drillholes combined with the development of long tunnels perpendicular to the general trend of veins. Examples of these tunnels include San Luis, Santa Anita and Sinaloa Graben, where significant intersections and new high grade veins, such as the Elia, Aranza, Victoria and Alexa, were discovered.

Geology and Mineralization

Regional Geology

The general geological setting of the San Dimas district includes two major volcanic successions totalling approximately 3,500 metres in thickness, which have been described the Lower Volcanic Group (“LVG”) and the Upper Volcanic Group (“UVG”) and are separated by an erosional and depositional unconformity.

The LVG is of Eocene age predominantly composed of andesites and rhyolitic flows and tuffs and has been locally divided into six units. The LVG outcrops, along the canyons which were formed by major westward drainage systems, have been intruded by younger members of the batholith complex of granitic to granodioritic composition.

The Socavón rhyolite is the oldest volcanic unit in the district, its lower contact destroyed by the intrusion of the Piaxtla granite.

The overlying Productive Andesite is more than 750 metres in thickness and has been divided into two varieties based on grain size, but of identical mineralogy. One variety is fragmental (varying from a lapilli tuff to coarse agglomerate), and the other has a porphyritic texture (one to two millimetres plagioclase phenocrysts).

Above the Productive Andesite, the overlying Camichin unit, composed of purple to red interbedded rhyolitic and andesite tuffs and flows, is more than 300 metres thick. It is the host rock of most of the productive ore shoots of Patricia, Patricia 2, Santa Rita and other lesser veins in the Santa Rita mine.

The Las Palmas Formation, at the top of the LVG, consists of green conglomerates at the base and red arkoses and shales at the top, with a total thickness of approximately 300 metres. This unit outcrops extensively in the Tayoltita area. The lower contact between the LVG and the underlying Productive Andesite is unconformable.

The predominant plutonic events in the district resulted in intrusion of the LVG by granitic to granodioritic intrusives, part of the Sinaloa composite batholith.

Other intrusives cutting the LVG include the Intrusive Andesite, the Elena aplite and the Santa Rita dacitic dikes. The even younger Bolaños rhyolite dike, and the basic dikes intrude both the LVG and UVG. Intrusive activity in the western portion of the Sierra Madre Occidental has been dated continuously from 102 to 43 million years. The UVG overlies the eroded surface of the LVG unconformably.

Local and Property Geology

In the San Dimas district, the UVG is divided into a subordinate lower unit composed mainly of lavas of intermediate composition called Guarisamey Andesite and an upper unit called the Capping Rhyolite. The Capping Rhyolite is mainly composed of rhyolitic ash flows and air-fall tuffs and is up to 1,500 metres thick in the eastern part of the district; however, within most of the district it is about 1,000 metres thick. The San Dimas district lies within an area of complex normal faulting along the western edge of the Sierra Madre Occidental. Compressive forces first formed predominantly east-west and east-northeast tension gashes that were later cut by transgressive north-northwest striking slip faults. The strike-slip movements caused the development of secondary north-northeast faults, with right lateral displacement.

Deposits and Mineralization

Deposits

The deposits of the San Dimas district are high grade, silver-gold-epithermal vein deposits characterized by low sulphidation and adularia-sericitic alteration. They were formed during the final stages of igneous and hydrothermal activity from quartz-monzonitic and andesitic intrusions.

Typical of epithermal systems, the gold and silver mineralization at the San Dimas Mines exhibits a vertical zone with a distinct top and bottom that the prior owner of the mine termed the “Favourable Zone”. At the time of deposition, this Favourable Zone was deposited in a horizontal position paralleling the erosional surface of the LVG on which the UVG was extruded.

This favourable, or productive, zone at San Dimas Mines is some 300 metres to 600 metres in vertical extent and can be correlated, based both on stratigraphic and geochronologic relationships, from vein system to vein system and from fault block to fault block.

Mineralization

The mineralization is typical of epithermal vein structures with banded and drusy textures. Within the San Dimas district, the veins occupy east-west trending fractures except in the southern part of Tayoltita where they strike mainly northeast and in the Santa Rita mine where they strike north-northwest. The veins were formed in two different systems. The east-west striking veins were the first system developed, followed by a second system of north-northeast striking veins. Veins pinch and swell and commonly exhibit bifurcation, horse-tailing and sigmoidal structures. The veins vary from a fraction of a centimetre in width to eight metres, but average 1.5 metres. They have been followed underground from a few metres in strike length to more than 1,500 metres.

Three major stages of mineralization have been recognized in the district: (1) early stage; (2) ore forming stage; and (3) late stage quartz. Three distinct sub-stages of the ore forming stage also have been identified, each characterized by distinctive mineral assemblages with ore grade mineralization always occurring in the three sub-stages: (1) quartz-chlorite-adularia; (2) quartz-rhodonite; and (3) quartz-calcite.

The minerals characteristic of the ore forming stage are composed mainly of white, to light grey, medium to coarse grained crystalline quartz with intergrowths of base metal sulphides (sphalerite, chalcopyrite and galena) as well as pyrite, argentite, polybasite, stromeyerite, native silver and electrum.

The ore shoots within the veins have variable strike lengths (five to 600 metres); however, most average 150 metres in strike length. Down-dip extensions of ore shoots are up to 200 metres but are generally less than the strike length.

Exploration and Drilling

Historically, exploration of the Favourable Zone at San Dimas Mines has been done both by diamond drilling and by underground development work. Diamond drilling is predominantly done from underground stations as both the rugged topography (i.e. access to surface drill stations) and the great drilling distance from the surface locations to the target(s) makes surface drilling both challenging and expensive. All exploration drilling and the exploration underground development work are done both in-house and by use of contractors.

Channel Sampling

While drilling is now the current method of exploration, underground channel sampling plays a large role in the estimation of current Mineral Resources.

Channel samples are routinely taken every three metres in all development in vein, and stoping is sampled every two rounds (six metres). Sample limits within the vein are based on texture and mineralogy changes. No sample is more than 1.2 metres in length and the minimum sample width is 0.2 metres. A second cut is taken across the vein as a validation and the results averaged for grade control purposes. A tarpaulin is laid down below the sample line. The samples are taken as a rough channel along the marked line, ensuring that the unit is sampled in a representative fashion, with large slabs being broken and sub-sampled. The total sample which has collected on the tarpaulin is broken with a hammer, mixed and "quartered" such that a two kilogram sample is bagged and labelled with sample number and location details. Samples are dispatched to the Primero Tayoltita Mine Laboratory (the "TAY Lab") and samples received by 1:00 p.m. are reported that day. Sketches of the face sampled are filed, showing samples' physical locations from surveying and the measured width of each sample. Since January 2012, 15 percent of all channel samples and 100% of drillcore samples were sent to the independent SGS laboratory in Durango. These samples had QA/QC procedures applied and were of a standard that could be reliably used for estimation of Mineral Resources. The vein mapping and channel sampling is continually plotted on plans and both used for grade control and for Mineral Resource estimation. In 2013 all channel samples collected and sent to SGS laboratory in Durango (approximately 1/3) were subjected to QA/QC procedures.

Drilling

All drilling was previously termed exploration drilling and was intended to collect data well away from the underground development that was intensively tested by channel sampling. Commencing in 2011 drilling campaigns were designed to convert Inferred Mineral Resources to Indicated Mineral Resources with new test new targets designated as exploration drilling. The drilling conducted in 2013 is shown in the following table.

Area	Number of Drill Holes	Metres
Central Block	236	52,238
Sinaloa Graben	136	34,513
Tayoltita	22	2,283
El Cristo	12	5,699
West Block	26	7,076
Total	**432**	**101,809**

Drill holes are typically drilled to get the best intersection possible such that the intersected width is as close as possible to the true width, while giving vertical coverage. Drilling underground is achieved by drilling from one vein development to another, or from specific drill stations. Holes are typically 200 to 250 metres long and generally between +/- 50 degrees in dip, while surface drilling can be up to 700 metres deep. Generally, fans are drilled on multiple sections from one set up. Since October 2011, samples have been sent for analysis to the SGS laboratory in Durango and bulk density measurements have been systematically taken on core samples.

Contemplated Exploration

The San Dimas $11.3 million 2014 delineation and mine exploration program targets 28 veins and consists of 215 DDHs for 60,000 metres of diamond drilling, with approximately 26,750 metres allocated for delineation and 33,200 metres allocated for mine exploration, as well as 2,500 metres of exploration drifting. The San Dimas 2014 regional exploration program includes approximately 20,000 metres of diamond drilling targeting 17 veins over 1.5 metres wide.

The current main production area is located in a prolific central corridor that runs south-west to north-east across the property. This central corridor historically contains vein systems that are noted for their high-grade nature, above average thickness and significant lateral extensions, although it is expected that by the end of 2014 a percentage of production will come from Alexa and Victoria in the Sinaloa Graben.

The main target of the 2014 underground mine delineation and exploration program is to replace the depleted Mineral Reserves. The largest portion of the delineation drilling is planned for the Roberta-Robertita and Marina1- Marina2 vein systems in the Central Block approximately 23,000 (67%) and the Victoria-Alexa and Elia-Aranza vein systems in the Sinaloa Graben, approximately 3,500 metres (10%). A further 3,621 metres and 4,198 metres are planned for delineation in the Santa Rita and Tayoltita areas, respectively. The objective is to delineate accurately already known historical Mineral Resources in former producing veins.

Mining Operations

The San Dimas Mines operation includes five underground gold and silver mining areas: the West Block (San Antonio mine); the Sinaloa Graben Block; the Central Block, the Tayoltita mine and the Arana Block (the Santa Rita mine). Vein thickness varies from 0.1 metres to 8 metres with the average approximately 1.9 metres. Some veins have a strike length of more than 1,500 metres. Vein dips vary from about 35^{o} to sub-vertical, the latter being decidedly more prevalent. The general mining recovery factor is about 95%, while that for sill mining is about 75%.

Typical mining of the vein systems is by mechanized cut-and-fill & long hole, using drill jumbos or jacklegs, pneumatic long hole drills and load-haul-dump machines, with primary access provided by adits and internal ramps from an extensive tunnel system through the steep, mountainous terrain.

Ground conditions throughout most of the San Dimas Mines operations are good. The need for installation of ground support is assessed on an on-going basis as development and stoping progresses. In flatter-dip vein areas where the stopes tend to be wider, rock bolts and screen may be installed and low-grade pillars left for support.

The basis for ore haulage at San Dimas Mines is LHD equipment feeding either truck or rail haulage to the mill at Tayoltita. Development waste is generally moved to stopes as fill.

There is one milling facility at Tayoltita to process the production from the active mining areas in San Dimas. The Tayoltita mill has a conventional process flowsheet that employs crushing and grinding followed by cyanidation and zinc precipitation for recovery of gold and silver. The San Dimas Mines operate a dry stack tailings deposition facility, which has a minimum of 17 year life at current processing rate.

Recent Operating History for the San Dimas Mines

Primero has implemented a number of initiatives at San Dimas to increase production, reduce costs and expand Mineral Reserves and Mineral Resources. Initiatives designed to increase production include ensuring daily throughput at mill capacity of 2,150 tonnes per day (“tpd”), which was achieved by end of first quarter of 2013, introduction of the long hole mining method, improving productivity per man shift, controlling mining dilution, accelerating mine development to increase the number of working faces, completing strategic tunnel connections and enhancing mine planning.

In October 2012, Primero initiated a mine and mill expansion of the San Dimas Mines. Primero has taken a staged approach, initially optimizing existing operations before undertaking expansion of the San Dimas Mines and mill to 912,500 tonnes per year (“tpy”) or 2,500 tpd with an approved expenditure of $16.5 million. Construction of the mine and mill expansion was completed during the first quarter of 2014.

During the year ended December 31, 2013, San Dimas produced 143,114 gold equivalent ounces, exceeding Primero’s increased guidance range of 135,000 to 140,000 gold equivalent ounces. Primero produced 111,983 ounces of gold and 6.05 million ounces of silver, 27% and 18% higher, respectively, than 2012. Production at San Dimas Mines in 2013 was higher than 2012 primarily as a result of mining more ore at higher grades. Throughput in 2013 increased by approximately 6% over 2012, averaging 2,101 tpd (based on 365 day availability), as a result of implementing long-hole mining combined with Primero’s mining optimization program that was initiated in the 2012. The optimization program has been successful at reducing process inefficiencies, increasing throughput and improving mining dilution. In 2012 San Dimas Mines was operating two long-hole drills to test the mining method in several of the San Dimas veins with varying widths and dip. In 2013 San Dimas Mines formally included long-hole mining in its mine plans, whereby approximately 15% of total tonnes of mining was achieved by long-hole mining, with the objective to mine about 30% of the deposit by this method by the end of 2014.

Primero generated strong operating cash flow and continued to invest in the San Dimas Mines with capital expenditures during 2013 of approximately $68 million, including exploration activities.

2014 Development Plans

Primero is currently commissioning the newly expanded milling facilities to 2,500 tpd. The Company has designed the mill expansion project such that a potential further expansion to 3,000 tpd can be achieved with minimal capital and no down-time to operations. Primero will continue detailed engineering in 2014 for a potential expansion decision to 3,000 tpd by Q3 2014.

The San Dimas underground development plan for 2014 envisages a similar development rate and number of metres of advance as was achieved in 2013, being about 20 kilometres of drifting.

In 2014, San Dimas expects to produce between 155,000 and 165,000 gold equivalent ounces up to 15% higher than 2013, based mainly on higher throughput. Production is expected to ramp-up at the end of the first quarter when the milling capacity of 2,500 tpd is achieved. Cash production costs are expected to be in the range of $575 to $600 per gold equivalent ounce (or between $340 and $360 per gold ounce on a by-product basis) in 2014, similar to actual costs in 2013. Material assumptions used to forecast total cash costs for 2014 include: an average gold price of $1,200 per ounce; an average silver price of $7.96 per ounce (calculated using the silver agreement contract price of $4.16 per ounce and assuming excess silver beyond contract requirements is sold at an average silver price of $21 per ounce); and foreign exchange rates of 1.05 Canadian dollars and 13 Mexican pesos to the U.S. dollar.

Capital expenditures during 2014 are expected to total approximately $38 million excluding capitalized exploration costs. Underground development capital and sustaining capital remain at similar levels to 2013 at nearly $15 million. The 2014 project capital includes the remaining expenditure for the mill expansion to 2,500 tpd ($3.3 million), and the second phase of a two-year waste rock pad project ($3.3 million) designed to support the long-term waste disposal at San Dimas, and the San Dimas Hydro power expansion and other projects ($5.2 million).

Environmental Matters

During the year ended December 31, 2013, Primero spent $0.82 million on capital projects related to environmental protection, being the purchase of a third tailings pump at the San Dimas Mine and the implementation of a containment system for the tailings pipeline.

The San Dimas property is subject to a full closure plan and reclamation of the site upon cessation of operations, which would involve all facilities currently being used (mill, hydro plant, mines, surface infrastructure, power line, roads, dry tailings). Primero has accrued a decommissioning liability consisting of reclamation and closure costs for the San Dimas Mine. The undiscounted cash flow amount of the obligation was $31.3 million at December 31, 2013 and the present value of the obligation was estimated at $8.7 million, calculated using a discount rate of 7.75% and reflecting payments made during and at the end of the mine life, which for the purpose of this calculation, Primero has assumed is in 22 years. In respect of the decommissioning liability, Primero expects to incur $2.2 million in 2015 and $2.0 million in 2016 to remediate the historical San Antonio tailings, with the remainder of the expenditures to be incurred mainly at the end of the mine life.

Primero continued with its annual environmental awareness campaign reaching out to approximately 1,000 students from 10 different educational institutes. Students from pre-school through to high school participated in discussions relating to environmental education, energy and water conservation waste classification, and regional flora and wildlife.

In 2013 Primero received the Clean Industry Certification for improvements to its environmental management practices at the San Dimas operations. The voluntary program is coordinated by the Mexican environmental authority and reviews regulatory compliance together with the Company's best practices and continuous improvement in environmental performance.

In February 2014, for a third consecutive year, Primero was awarded the “Socially Responsible Company (ESR) designation by CEMEFI, the Mexican Center for Philanthropy. The ESR award is given to companies operating in Mexico that are committed to sustainable economic, social and environmental operations in all areas of corporate life, including business ethics, involvement with the community and preservation of the environment.

On January 3, 2012, tailings containing 5 ppm cyanide were spilled into the Piaxtla River, impacting a total area of 2.5 kilometres. The spillage was the result of a hole that developed in a tailings pipe. Primero notified Mexican governmental authorities of the incident. PROFEPA and CNA visited the site in January 2012. Primero understands that both the PROFEPA and the CNA considered the spillage to be localized. On January 5, 2012, the municipality of San Dimas confirmed in a letter to Primero that they considered the incident as localized and under control. Following the spill, Primero took a number of corrective actions including design and building of a containment structure for the tailings pipe, which is now fully operational. All PROFEPA's requests were implemented and on September 3, 2012, Primero received final resolution from CNA specifying a fine of $93,500 pesos, which Primero paid on September 20, 2012. On September 17, 2012, following the final resolution from CNA, Primero was notified by PROFEPA that it was fined $31,200 pesos. The resolution notification referred to non-compliance to a "hazardous waste" regulation. In March 2013, Primero expressed its position to PROFEPA that the tailings are not subject to the "hazardous waste" regulation. Primero and PROFEPA came to terms that the tailings are not considered "hazardous waste", at which point Primero accepted to pay the nominal fine shortly thereafter in the first quarter of 2013. Following the corrective actions implemented by Primero, an external consulting firm completed an on-site inspection and concluded that the actions taken by Primero were sufficient and no long term damage to the aquatic life was concluded.

Primero is currently dealing with two past environmental liabilities: reclamation of old San Antonio milling facilities and closure/reclamation of old San Antonio (Contraestaca) tailings facilities. All work is expected to be completed in 2016.

San Antonio Tailings

Due primarily to the exhausted capacity of the tailings dam, the San Antonio mill was shutdown in 2003. The tailings dam site is located in a turn in a steep walled river canyon downstream of the mill operation. The river has been diverted through two tunnels which have been excavated in the canyon wall on the inside of the river bend. A third tunnel for road access has been excavated and also serves as an additional channel for the river in high flow periods. In the 2002 due diligence by Wheaton River, the San Antonio tailings dam was identified as a risk to failure due to a low safety factor in the dam, risk associated with an unknown hydrostatic head in the active tailings deposition area and possible erosion due to a flood event in the adjacent river.

Since the shutdown of the San Antonio mill operations, some of the risk has been removed by elimination of the hydrostatic head in the dam and diversion of a local drainage channel. It has been proposed that the dam safety factor be increased by extending the concrete wall on the upstream side of the dam and protection of the downstream side by covering it with mine waste rock. These measures would also decrease the erosion potential of the tailings. Some of this work was initiated while options to close and reclaim the tailings dam were studied. DMSL received approval to reclaim the San Antonio dam by stabilizing the tailings in their current location after an environmental assessment, which demonstrated the validity of the plan, was submitted. A scale model was developed that, through a series of tests, determined the best design from the hydraulic aspect and to determine if some of the design features needed to be augmented. During 2007, in agreement with the design by Knight Piesold (Canadian geotechnical consultant), the emplacement of a rock filled berm began with about 60% completed, however, the rains and lack of an access road significantly affected progress. Further work was done in 2008 and subsequent years.

Full closure of the San Antonio old tailings facilities, which consists of completing a downstream berm and spillway, will be completed in 2016 as per Primero's asset retirement obligations.

Taxes

Corporate profits in Mexico are taxed only by the Federal Government. Through 2008, there were two federal taxes in Mexico that applied to mining company operations; a Flat Rate Business Tax ("FRBT") and a corporate income tax. Mexican corporate income tax is calculated based on gross revenue less deductions for all refining and smelting charges, direct operating costs, all head office general and administrative costs, and depreciation deductions. During 2008 and 2009, the corporate income tax rate in Mexico was 28%, it was 30% from 2010 to 2013, and it is planned to be 30% during 2014 and subsequent taxation years. On October 17, 2011, Primero filed a formal application to the Mexican tax authorities for an advance pricing agreement on the appropriate price of silver sales under the silver purchase agreement. On October 4, 2012, Primero received a ruling from the Mexican tax authorities that the appropriate price was the approximate $4 per ounce received from SW Caymans. This confirmed the silver pricing in Primero Empresa's 2010 and 2011 income tax returns.

On October 31, 2013, the Mexican Congress approved an extensive tax reform bill that has far reaching implications to the mining sector and taxpayers generally. The reforms included a tax-deductible mining royalty of 7.5% on taxable earnings before the deduction of interest, taxes, depreciation and amortization, with precious metals mining companies paying an additional 0.5% on gold and silver revenue. The tax reforms are effective from January 1, 2014 and as such Primero is subject to the mining royalty as of this date. As part of the reform, the FRBT was repealed.

Mineral Reserve and Mineral Resource Estimates

See "Technical Information – Summary of Mineral Reserves and Mineral Resources" for the estimated Mineral Reserves and Mineral Resources (silver only, 100% attributable) for the San Dimas Mines as of December 31, 2013.

Production Information

The following table summarizes 2008 to 2013 silver production from the San Dimas Mines:

	Units	2008	2009	2010	2011	2012	2013
Ore Processed	(tonne)	657,479	673,311	612,253	662,612	721,264	766,930
Gold Grade	(g/t)	4.3	5.4	4.5	3.9	3.9	4.7
Silver Grade	(g/t)	259	249	244	226	234	258
Gold Recovery	(%)	97	98	97	97	97	97
Silver Recovery	(%)	94	95	94	96	95	95
Produced Gold	(oz)	86,682	113,018	85,429	79,564	87,900	111,983
Produced Silver	(oz)	5,113,466	5,093,385	4,530,000	4,602,846	5,134,184	6,054,360

PEÑASQUITO MINE, MEXICO

The Peñasquito Mine is indirectly wholly-owned by Goldcorp. The Peñasquito Mine is an open pit mining operation located in north-central Mexico with two separate process facilities, an oxide ore facility and a plant to process sulfide ore. The oxide ore is processed through a heap leach/Merrill-Crowe facility that went into production in February 2008. The first gold pour for the oxide circuit was on May 10, 2008. Line 1 of the sulfide plant started operating in September 2009 and first concentrate was shipped November 2009. The Peñasquito Mine achieved commercial production in September 2010.

The following description of the Peñasquito Mine is based on the information disclosed in the annual information form of Goldcorp filed on March 31, 2014. The Company QP's have approved the disclosure of scientific and technical information in respect of the Peñasquito Mine in this document.

Property Description and Location

The operating entity for the Peñasquito Mine is an indirectly wholly-owned Goldcorp subsidiary, Minera Peñasquito, S.A. de C.V. ("Minera Peñasquito"). Peñasquito is situated in the western half of the Concepción Del Oro district in the northeast corner of Zacatecas State, Mexico, approximately 200 kilometres northeast of the city of Zacatecas.

Mining at the Peñasquito Mine commenced in 2010 and full production commenced in 2011. The Peñasquito Mine is comprised of 19 mining concessions (45,752.9423 hectares), as at January 8, 2014, held in the name of Minera Peñasquito. Concessions were granted for durations of 50 years and a second 50-year term can be granted if the applicant has abided by all appropriate regulations and makes the application within five years prior to the expiration date. Obligations which arise from the mining concessions include performance of assessment work, payment of mining taxes and compliance with environmental laws. Duty payments for the concessions have been made as required. Minimum expenditures, pursuant to Mexican regulations, may be substituted for sales of minerals from the mine for an equivalent amount. Goldcorp holds additional tenure in the greater Peñasquito Mine area (within about 200 to 300 kilometres of the Peñasquito Mine infrastructure), which is under application, is granted, or is part of joint ventures with third parties.

A two percent net smelter return royalty is payable to Royal Gold on production from both the Peñasco and Chile Colorado pits which constitute the Peñasquito Mine. The Mexican Government has passed a new mining royalty, effective 1 January 2014, which will consist of a 7.5% mining royalty imposed on earnings before interest, tax, depreciation and amortization (EBITDA). There is also an additional 0.5% royalty on precious metals revenue (applicable to precious metals mining companies) that will also be in effect as of January 1, 2014. In 2007, the Company acquired 25 percent of the silver produced by the Peñasquito Mine over the life-of mine for an upfront cash payment of $485 million and a per ounce cash payment of the lesser of $3.90 and the prevailing market price (subject to an inflationary adjustment commencing in 2011), for silver delivered under the contract.

Environmental liabilities are limited to those that would be expected to be associated with a polymetallic mine, where productions occurs from open pit sources, and where disturbance includes mining operations, roads, site infrastructure, heap leach, and waste and tailings disposal facilities. A closure and reclamation plan has been prepared for the mine site. Goldcorp holds the appropriate permits under local, state and federal laws to allow for mining operations.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

There are two access routes to the site. The first is via a turnoff from Highway 54 onto the State La Pardita road, then onto the Mazapil to Cedros State road. The second access is via the Salaverna by-pass road from Highway 54 approximately 25 kilometres south of Concepción Del Oro. Within the Peñasquito Mine, access is by foot trails and tracks. The closest rail link is 100 kilometres to the west. There is a private airport on site and commercial airports in the cities of Saltillo, Zacatecas and Monterrey. Travel from Monterrey/Saltillo is approximately 150 kilometres, about two hours to site. Travel from Zacatecas is approximately 275 kilometres, about 3.5 hours to site.

Power is currently supplied through the Mexican central grid from the Mexican Federal Electricity Commission. On January 25, 2011, Goldcorp signed a power delivery agreement with a subsidiary of InterGen, pursuant to which InterGen will construct and operate a 200 megawatt gas-fired combined cycle power plant to deliver 177 megawatts of supplied electricity to the Peñasquito Mine and other operations in Mexico for a minimum term of 20 years. Construction of the power plant began in December 2012, with completion projected for the first quarter of 2015. An amendment to the original contract to increase the supplied electricity by five megawatts is currently pending approval by Goldcorp. Goldcorp holds all necessary permits for the power line and road access to site.

Process and potable water for the Peñasquito Mine is sourced from the Torres-Vergel well field located six kilometres west of the Peñasquito Mine and permits to pump up to 35 million cubic metres per year from this source have been received. The existing supply of groundwater is not sustainable in the long term and has resulted in a reduction of plant throughput in 2013 due to lower than planned volumes from the current infrastructure. In 2012 and 2013, expansion to the current Torres–Vergel well field have occurred. To allow plant production to return to design levels, an additional groundwater source within the Cedros basin has been identified. This area is named the Northern Well Field, and is approximately 60 kilometres northwest of the Peñasquito Mine and construction will take place during 2014. Under the Mining Law in Mexico, the owner of a mining concession is entitled to use the water extracted from the mine in connection with exploration and mining activities. The Peñasquito Mine recycles almost 70 percent of the water it uses in the mining process with the existing tailings facility.

There is sufficient suitable land available within the Goldcorp mineral tenure for tailings disposal, mine waste disposal, and mining-related infrastructure, such as the open pit, process plant, workshops and offices. A skilled labour force is available in the region where the Peñasquito Mine is located and in the surrounding mining areas of Mexico. Accommodation comprises a 1,900-bed camp with full dining, laundry and recreational facilities. Fuel and supplies are sourced from nearby regional centres such as Monterrey, Monclova, Saltillo and Zacatecas and imports from the United States via Laredo.

Mining concessions give the holder the right to mine within the concession boundary, sell the mining product, dispose of waste material generated by mining activities within the lease boundary, and have access easements. Surface rights in the vicinity of the Chile Colorado and Peñasco open pits are held by four ejidos, as well as certain private owners. Goldcorp has signed current land use agreements with three of the ejidos and the relevant private owners. Under current agreements with the ejidos, payments are made to the ejidos on an annual basis, in addition to certain upfront payments that have already been made.

There is litigation pending regarding the land use agreement with Ejido Cerro Gordo. The Cerro Gordo lands include 60% of the mine pit area, the waste dump, and explosives magazine. On June 18, 2013 the agrarian courts in Mexico ruled that the land use agreement was null and ordered the Cerro Gordo lands to be returned to the Ejido Cerro Gordo. Minera Peñasquito has prepared the required filings and is taking steps to expropriate the Cerro Gordo lands.

Negotiations are continuing between Minera Peñasquito and authorized representatives of the Ejido Cerro Gordo with a view to reaching a mutually beneficial settlement of a land claim. To date, operations at the Peñasquito Mine have not been impacted by these legal proceedings. If a settlement is not reached regarding use of the Cerro Gord lands and a new land use agreement is not entered into, there is a risk to the Mineral Reserves and mine operations as a portion of the Peñasco open pit and infrastructure associated with the Cerro Colorado pit fall within the Cerro Gordo lands.

The climate is generally dry with precipitation being limited for the most part to a rainy season in the months of June and July. Annual precipitation for the area is approximately 700 millimetres, most of which falls in the rainy season. The Peñasquito Mine area can be affected by tropical storms and hurricanes which can result in short-term high precipitation events. Temperatures range between 20 degrees Celsius and 30 degrees Celsius in the summer and zero degrees Celsius to 15 degrees Celsius in the winter. Mining operations can be conducted year-round.

The Peñasquito Mine is situated in a wide valley bounded to the north by the Sierra El Mascaron and the south by the Sierra Las Bocas. Except for one small outcrop, the area is covered by up to 30 metres of alluvium. The terrain is generally flat, rolling hills; vegetation is mostly scrub, with cactus and coarse grasses. The prevailing elevation of the property is approximately 1,900 metres above sea level.

History

The earliest recorded work in the Peñasquito Mine consists of excavation of a shallow shaft and completion of two drill holes in the 1950s. Kennecott Canada Explorations Inc. through its Mexican subsidiary, Minera Kennecott S.A. de C.V. (“Kennecott”) acquired initial title to the Peñasquito Mine and commenced exploration in 1994. Regional geochemical and geophysical surveys were undertaken in the period 1994 to 1997. This work led to the early discovery of two large mineralized diatreme breccia bodies, the Outcrop (Peñasco) and Azul Breccias. Kennecott completed 250 rotary air blast (“RAB”) drill holes (9,314 metres) to systemically sample bedrock across the entire Peñasquito Mine area which resulted in the discovery of the Chile Colorado silver-lead-zinc-gold zone. A total of 72 reverse circulation and core drill holes (24,209 metres) were sited to test mineralization at the Outcrop Breccia, Azul Breccia, and Chile Colorado zones.

In 1998, Western Copper Holdings Ltd. (“Western Copper”) acquired a 100 percent interest in the Peñasquito Mine from Kennecott. Western Copper completed a nine hole (3,185 metres) core drilling program and 13.4 line kilometres of tensor controlled source audio frequency magnetollurics geophysical survey work the same year. Exploration efforts were focused on the Chile Colorado zone and the Azul Breccia pipe targets. Western Copper optioned the property to Minera Hochschild S.A. (“Hochschild”) in 2000. Hochschild completed 14 core holes (4,601 metres), eleven of which were sited into the Chile Colorado anomaly, but subsequently returned the property to Western Copper. From 2002 to 2009, Western Copper completed an additional 874 core and reverse circulation drill holes (496,752 metres) and undertook a scoping-level study, a pre-feasibility study, and a feasibility study in 2003, 2004, and 2005 respectively. The feasibility study was updated in 2006. Under the assumptions in the studies, the Peñasquito Mine returned positive economics. In 2003, Western Copper underwent a name change to Western Silver Corporation (“Western Silver”). Glamis acquired Western Silver in May 2006, and the combined company was subsequently acquired by Goldcorp in November 2006.

During 2005, a drill rig was used to perform geotechnical field investigations to support the design of the heap leach facility, waste rock piles, tailings impoundment and process plant. Standard penetration tests were performed. Construction in the Peñasquito Mine commenced in 2007. In October 2009, the first lead and zinc concentrates were produced and concentrate shipment to smelters commenced with first sales recorded in November 2009.

Geological Setting

Regional Geology

The regional geology is dominated by Mesozoic sedimentary rocks, which are intruded by Tertiary stocks of intermediate composition (granodiorite and quartz monzonite), and overlain by Tertiary terrestrial sediments and Quaternary alluvium. The Mesozoic sedimentary rocks comprise a 2.5 -kilometre thick series of marine sediments deposited during the Jurassic and Cretaceous Periods with a 2,000-metre thick sequence of carbonaceous and calcareous turbiditic siltstones and interbedded sandstones underlain by a 1,500 to 2,000-metre thick limestone sequence.

Local Geology

The Mesozoic sedimentary rocks of the Mazapil area were folded into east-west arcuate folds during the Laramide orogeny. End-Laramide extension was accommodated by northwest-, northeast- and north-striking faults, contemporaneous with deposition of Tertiary terrestrial sediments in fault-bounded basins. Tertiary granodiorite, quartz monzonite, and quartz–feldspar porphyry were also intruded during this period of extension. Current topography reflects the underlying geology, with ranges exposing anticlines of the older Mesozoic rocks, while valleys are filled with alluvium and Tertiary sediments overlying synclinal folds in younger Mesozoic units. Tertiary stocks and batholiths are better exposed in the ranges. Two diatreme pipes, Peñasco and Brecha Azul, intrude the Caracol Formation shales in the centre of the Mazapil valley, and form the principal hosts for known gold-silver-lead-zinc mineralization at Peñasquito. The breccia pipes are believed to be related to quartz–feldspar porphyry stocks beneath the Peñasquito Mine area. The current bedrock surface is estimated to be a minimum of 50 metres (and possibly several hundred metres) below the original paleo-surface when the diatremes were formed. The brecciated nature of the host rock indicates that the diatremes explosively penetrated the Mesozoic sedimentary units and it is likely that they breached the surface; however eruption craters and ejecta aprons have since been eroded away. Alluvium thickness averages 30 to 50 metres at Peñasquito, and this cover obscured the diatremes apart from one small outcrop of breccia near the center of the Peñasco diatreme, rising about five metres above the valley surface. The single outcrop near the center of the Peñasco pipe contained weak sulphide mineralization along the south and west side of the outcrop, representing the uppermost expression of much larger mineralized zones below.

Property Geology

Peñasco and Brecha Azul are funnel-shaped breccia pipes, which flare upward, and are filled with brecciated sedimentary and intrusive rocks, cut by intrusive dikes. The larger diatreme, Peñasco, has a diameter of 900 metres by 800 metres immediately beneath surface alluvial cover, and diatreme breccias extend to at least 1,000 metres below surface. The Brecha Azul diatreme, which lies to the southeast of Peñasco, is about 500 metres in diameter immediately below alluvium, and diatreme breccias also extend to at least 1,000 metres below surface. Porphyritic intrusive rocks intersected in drilling beneath the breccias may connect the pipes at depth. Polymetallic mineralization is hosted by the diatreme breccias, intrusive dikes, and surrounding siltstone and sandstone units of the Caracol Formation. The diatreme breccias are broadly classified into three units, in order of occurrence from top to bottom within the breccia column, which are determined by clast composition: sediment-clast breccia, mixed-clast (sedimentary and igneous clasts), and intrusive-clast breccias. Sedimentary rock clasts consist of Caracol Formation siltstone and sandstone; intrusion clasts are dominated by quartz-feldspar porphyry. For the purposes of the geological block model, the sediment-clast and mixed-clast breccias were combined into one unit, and are distinguished from the intrusion-clast breccia. A variety of dikes cut the breccia pipes and the immediately adjacent clastic wall-rocks. These dikes exhibit a range of textures from porphyry breccia, to quartz–feldspar and quartz-eye porphyries, to porphyritic, to aphanitic micro breccias. For the block model they are combined into a single intrusive domain.

The Peñasco and Brecha Azul diatremes are considered to represent breccia-pipe deposits developed as a result of Tertiary intrusion-related hydrothermal activity. Alteration, mineral zoning, porphyry intrusion breccia clasts, and dykes all suggest the diatreme-hosted deposits represent distal mineralization some distance above an underlying quartz–feldspar porphyry system. Such deposits commonly exhibit structural influence from graben faults or faulting related to cauldron subsidence. The Peñasco and Brecha Azul diatremes lie along a northwest-trending system of subvertical fractures within the central axis of the broad northwest oval of sericite–pyrite–quartz–calcite alteration. This may reflect the orientation of the porphyry intrusion underlying the known mineralization. Both of the breccia pipes lie within a hydrothermal alteration shell consisting of a proximal sericite–pyrite–quartz (phyllic) alteration assemblage, distal sericite–pyrite–quartz–calcite assemblage, and peripheral chlorite–epidote–pyrite (propylitic) alteration halo. A halo of generally lower grade disseminated zinc–lead–gold–silver mineralization lies within the sericite–pyrite–quartz–calcite assemblage surrounding the two breccia pipes.

Exploration

Exploration activities on the Peñasquito Mine have included geological mapping, reverse circulation and core drilling, ground geophysical surveys, mineralization characterization studies and metallurgical testing of samples. Petrographic studies and density measurements on the different lithologies have also been carried out. Much of this work has been superseded by the data obtained during the drilling programs that support the Mineral Resource and Mineral Reserve estimates and by data collected during mining operations.

From 2006 to 2013, Goldcorp completed 286 core and 93 reverse circulation exploration drill holes, plus 46 metallurgical, 40 geotechnical, 298 condemnation, and 26 in-fill drill holes. An updated feasibility study was completed, mining was commenced (2007), the first doré was produced (2008), mechanical completion of the first mill/flotation line (50,000 tonnes per day) (2009) and production and shipment of the first concentrates were produced and shipped (2009).

A deep exploration drilling program was conducted between 2011 and 2013 to test for the presence of sulphide manto and skarn-hosted mineralization at depth. The exploration target was to define mineralization that might be able to support potential underground development adjacent to and/or between the Peñasco and Brecha Azul diatreme pipes. Manto and skarn-hosted mineralization was intercepted starting at 900 metres below the surface. Potentially significant skarn- and breccia- hosted mineralization was located between the Brecha Azul and Peñasco diatremes. There is also potential for additional deposit styles within the extensive Peñasquito Project, including base metal skarns and porphyry-related disseminated deposits in geological settings. Exploration for these mineralization styles is ongoing. Goldcorp conducted an additional drilling campaign to the north of Peñasco in 2011, which consisted of 59 shallow reverse circulation drill-holes designed to collect bedrock samples from immediately beneath the alluvial cover. Anomalies identified by this program were later tested to greater depth with core drill-holes. No significant mineralization was identified from the programs.

Mineralization

Both the Peñasco and Chile Colorado deposits are centered on diatreme breccia pipes, the Peñasco diatreme at Peñasco, and the Brecha Azul diatreme at Chile Colorado. The diatremes contain and are surrounded by coalesced halos of disseminated, veinlet and vein-hosted sulphides and sulphosalts containing silver and gold. Mineralization consists of disseminations and veinlets and veins of various combinations of medium to coarse-grained pyrite, sphalerite, galena, and argentite. Sulphosalts of various compositions are also abundant in places, including bournonite, jamesonite, tetrahedrite, polybasite, pyrargyrite, stibnite, rare hessite, chalcopyrite and molybdenite. Gangue mineralogy includes calcite, sericite, and quartz, with quartz, rhodochrosite, fluorite, magnetite, hematite, pyrite, garnets (grossularite–andradite) and chlorite–epidote. Carbonate is more abundant than quartz as a gangue mineral in veins and veinlets, particularly in the “crackle breccia” that occurs commonly at the diatreme margins.

Mantos-style sulphide replacements of carbonate strata have been identified within the Caracol Formation adjacent to the diatreme pipes, beneath the clastic-hosted disseminated sulphide zones. They consist of semi-massive to massive sulphide replacements of sub-horizontal limestone beds, as well as structurally-controlled cross-cutting chimney-style, steeply dipping, fracture and breccia zones filled with high concentrations of sulphides. The sulphides are generally dominated by sphalerite and galena, but also contain significant pyrite. Gangue minerals (commonly carbonates) are subordinate in these strata-replacement mantos and cross-cutting chimneys. Stratiform and chimney mantos are characterized by their very high zinc, lead, and silver contents, with variable copper and gold contributions.

A new style of Copper–Gold–Silver–Zinc–Lead garnet skarn mineralization with dissolution breccias has been identified at depth between the Peñasco and Brecha Azul diatremes. Mineralization identified to date occurs within the Indidura, Cuesta del Cura and the Taraises–La Caja Formations. The main trend of this mineralization is northwest–southeast, with the best grades located between the diatremes. The skarn has horizontal dimensions of approximately 1,000 metres by 1,200 metres and is open at depth. This polymetallic mineralization is hosted by garnet skarn and associated breccias, mainly as chalcopyrite, sphalerite, gold, and silver. Gangue minerals consist of pyrite, calcite, garnet, and magnetite. The garnet skarns are often surrounded by halos of hornfels, especially in siliciclastic units, and/or marble and recrystallized limestone in carbonate units. The deep exploration programs have also identified quartz feldspar porphyry with strong sericite-pyrite-quartz-calcite and potassic alteration, which contain occasional veinlets of quartz with molybdenite, and veins with secondary biotite and magnetite disseminated in the wall rocks.

Drilling

Drilling completed on the Peñasquito Mine area for the period 1994 to 2013 comprised 1,333 drill holes totaling 689,847 metres. Drilling has focused on the exploration and delineation of three principal areas: the Chile Colorado Zone, the Brecha Azul Zone and the Peñasco Zone.

Reverse circulation drilling was conducted using down-hole hammers and tricone bits, both dry and with water injection. Some reverse circulation drilling was performed as pre-collars for core drill holes. Core drilling typically recovered HQ size core (63.5 millimetres diameter) from surface, then was reduced to NQ size core (47.6 millimetres) where ground conditions warranted. Metallurgical holes were typically drilled using PQ size core (85 millimetres).

Any break in the core made during removal from the barrel was marked with a “colour line”. When breakage of the core was required to fill the box, edged tools and accurate measure of pieces to complete the channels was the common practice to minimize core destruction. The end of every run was marked with a wooden tick and the final depth of the run. Core was transferred to wooden core boxes, marked with “up” and “down” signs on the edges of the boxes using indelible pen. The drill hole number, box number and starting depth for the box was written before its use, whilst end depth were recorded upon completion. All information was marked with indelible pen on the front side of the box and also on the cover. All core from the Goldcorp drill programs has been processed on site. Core boxes were transported to the core shed by personnel from the company that was managing the drill program, or the drilling supervisor.

Geotechnical Drilling

Oriented core drilling for geotechnical purposes was performed in 2004 with eight core holes completed in the area of the planned Chile Colorado pit and three core holes in the planned Peñasco pit area for a total 11 core holes (4,126 metres). Core holes were oriented at an angle of 60 degrees to the horizontal and were sited to intersect the November 2005 design basis pit wall one-third of the ultimate wall height above the base of the final pit level. Core hole diameters were typically HQ3 (61 millimetres diameter) but were telescoped down to NQ3 (45 millimetres) if difficult drilling conditions were encountered. Core was recovered in a triple tube core barrel assembly. Core recovery for the Peñasquito Mine drilling programs averaged 97 percent. Sample recoveries were not routinely recorded for reverse circulation holes.

Recent drilling, in the period 2010 to 2013, when the mine was operational, has comprised 22 drill holes (7,253.2 metres). Six of these holes were sited in the Chile Colorado pit and the remainder was drilled for support of the Peñasco pit. Holes ranged in dip from vertical to 65 degrees and were either HQ3 or PQ3 in size. The drill holes were sited to provide geotechnical information for pit phase designs and for support of potential modification of pit wall slope angles in selected pit sectors. A total of 68 laboratory triaxial tests of intact rocks were performed and 52 direct shear tests to estimate the unconfined strength of the intact rock. An additional target was obtaining information on the bedding planes within the Caracol Formation. The RQD model was updated with the recent drill information, and a total of 1,211 holes were used. A total of 1,348 holes and 13 geomechanical cells were used to construct the bedding model. Additional drilling is planned in 2014 to provide further data on the partial pit phase designs planned for Peñasco, primarily to test the north and west pit sectors.

Metallurgical Drilling

Metallurgical drilling was first performed between 2003 and 2006, with 13 holes (4,016 metres) completed. Holes averaged 310 metres in depth. An additional 28 core holes were drilled in 2006 to 2012, consisting of 28 holes (15,375 metres), which were typically 550 metres long. During 2013, 28 holes (9,156 metres) were completed, averaging 510 metres in length.

Hydrogeological Drilling

A number of water wells have been completed in support of supply of the Peñasquito Mine’s water needs.

Geological and Geotechnical Logging

Logging of reverse circulation drill cuttings and core utilized standard logging procedures. Logs recorded lithologies, breccia type, fracture frequency and orientation, oxidation, sulphide mineralization type and intensity, and alteration type and intensity. In July 2013, digital logging was implemented. Logs are stored on the mine server in an exploration database. Information now recorded includes lithology, alteration, minerals, structural features, oxidation description, and vein types. Core was photographed; core photographs are retained on the mine server. Video was recorded from drill collar to toe; these digital files are stored on hard disc. Geotechnical logging for pit design purposes was typically completed at three metre intervals, and recorded on compact discs. For site location purposes, geotechnical logging included sample descriptions, Standard Penetration Test blow counts, sample numbers and visual classifications based on the united soil classification system. From 2010 onwards, all geotechnical logging has been stored in an acQuire database.

Collar Surveys

Collar surveys have been performed by a qualified surveyor since 2002. Since preparation for mining operations commenced in 2007, all surveys have been performed using digital global positioning system instruments. All drill hole collars are identified with a concrete monument, allowing all drill holes to be identified at a later date. The monument is placed directly over the hole collar on completion of each drill hole.

Down-hole Surveys

Down-hole surveys are completed by the drilling contractor using a single shot, through the bit, survey instrument. Drill holes are surveyed on completion of each hole as the drill rods are being pulled from the hole. Use of a gyroscopic survey instrument began in 2012, when Silver State Survey was contracted. In the first 800 metres of any drill hole, Silver State Survey takes a measurement at 50 metre intervals and at the end of the drill hole.

Deposit Drilling

Drill hole spacing is generally on 50 metre sections in the main deposits spreading out to 400 metre spaced sections in the condemnation zones. Drill spacing is wider again in the areas outside the conceptual pit outlines used to constrain Mineral Resources. Drilling covers an area of approximately 11 kilometres east to west by seven kilometres north to south with the majority of drill holes concentrated in an area 2.1 kilometres east to west by 2.8 kilometres north to south.

Drilling is normally perpendicular to the strike of the mineralization. Depending on the dip of the drill hole, and the dip of the mineralization, drill intercept widths are typically greater than true widths.

Sampling and Analysis

Peñasquito Mine project staff has been responsible for sample collection, core splitting, run of mine assaying, preparation of samples, storage and security from inception to date. All analyses of exploration drill-hole and surface samples were performed by certified off-site analytical laboratories.

Reverse circulation drill cuttings were sampled at intervals of two metres. The material was split at the drill into several portions of 12 kilograms or less. A handful of rock chips from each sample interval was collected and logged by experienced onsite geologists. Data from the drill logs were entered digitally into files for computer processing. From mid-2013, all data are entered digitally into the database.

The standard sample interval is two metres. Some samples are limited to geological boundaries and are less than two metres in length. Logging was completed at the drill site prior to splitting. Splitting of the core was supervised by the geologist who logged the core in order to ensure sampling integrity. For condemnation drill holes, core was assayed every two metres out of 20 unless geologic inspection dictated otherwise. A senior Goldcorp geologist examined the core, defined the primary sample contacts, and designated the axis along which to cut the core. Special attention is taken in veined areas to ensure representative splits are made perpendicular to, and not parallel to, veins.

Standard reference material samples and blanks were inserted in a documented sequence into the sample stream going to the assay laboratory. Cut samples were bagged and numbered in polyethylene bags. Groups of 20 sample bags were placed in larger bags and labelled with the name and address of the laboratory, and the number and series of samples that were contained within the bag. A Peñasquito Mine truck transports the sacks to the ALS Chemex laboratories in Guadalajara, Mexico, approximately once per week. ALS Chemex was responsible for sample preparation throughout exploration and infill drilling phases through its non-accredited sample preparation facilities in Guadalajara. All samples were dispatched to the ALS Chemex Vancouver, Canada laboratory facility for analysis, which, at the time the early work was performed, was ISO-9000 accredited for analysis; the laboratory is currently ISO-17025 certified and is independent of Goldcorp. The umpire (check) laboratory is Acme Laboratories in Vancouver, which holds ISO-9000 accreditations for analysis. The run-of-mine laboratory is not certified.

Blast holes are sampled as whole-hole samples by an experienced sampler. During 2008, Goldcorp staff completed a total of 1,229 specific gravity measurements on drill core. An additional 127 bulk density measurements were also available from Dawson Metallurgical Laboratories Inc. Utah. Specific gravity data were used to assign average bulk specific gravity values by lithology. From 2011, a standard procedure was implemented, whereby a density sample, 20 centimetres in length, was taken every 20 metres from core holes. Core is coated, and the specific gravity measured using the water displacement method. To end November 2013, a total of 3,802 determinations have been made.

A number of independent data checks have been performed, in support of feasibility-level studies, and in support of technical reports, producing assessments of the database quality on the Peñasquito Mine. No significant problems with the database, sampling protocols, flowsheets, check analysis program, or data storage were noted. Goldcorp performed sufficient verification of the data and database to support Mineral Resources and Mineral Reserves being estimated.

Security of Samples

Blanks and standard reference materials have been used in sampling programs by Goldcorp. The seven standard reference materials were prepared by Metcon Research, Tucson, Arizona from Peñasquito Mine mineralization. Blank samples comprise non-mineralized limestones from the general Peñasquito Mine area. Goldcorp acquired eight new standard reference materials in December 2009 which consist of Peñasquito core prepared by SGS and submitted to round-robin analyses by several certified laboratories. Blank samples utilized since 2013 consist of crushed non-mineralized sandstone from reverse circulation holes drilled in 2011 to the north of the Peñasquito Mine area.

Entry of information into databases utilized a variety of techniques and procedures to check the integrity of the data entered. Electronic data entry (without a paper log step) is still being implemented. Digital drill-hole logging was implemented in mid-2013 using acQuire software. Assays received electronically from the laboratories are now imported directly into the database. Analytical certificates received since 2010 have been stored in the data base and were validated via the acQuire software. Drill-hole collar and down-hole survey data were manually entered into the database prior to 2013. Since initiation of digital logging and full implementation of the acQuire database in 2013, the collar and down-hole surveys are imported into the database using acQuire. Data are verified on entry to the database by means of built-in program triggers within the mining software. Checks are performed on surveys, collar co-ordinates, lithology data, and assay data.

Paper records have been archived for all assay and quality assurance and quality control data, geological logging and bulk density information, down-hole and collar coordinate surveys. All paper records were filed by drill-hole for rapid location and retrieval of any information desired. Assays, down-hole surveys, and collar surveys were stored in the same file as the geological logging information. Sample preparation and laboratory assay protocols from the laboratories were also monitored and kept on file. Exploration data are appropriately stored on a mine server, and data are regularly backed up by the Peñasquito Mine IT department.

Sample security was not generally practiced at the Peñasquito Mine during the drilling programs, due to the remote nature of the site. Sample security relied upon the fact that the samples were always attended or locked at the sample dispatch facility. Sample collection and transportation have always been undertaken by Goldcorp or laboratory personnel using company vehicles. Drill samples were picked up at site by ALS Chemex, prepared to a pulp in Guadalajara, Mexico, and sent by ALS Chemex via air to the ALS Chemex analytical laboratory in Vancouver, Canada. Chain of custody procedures consisted of filling out sample submittal forms that were sent to the laboratory with sample shipments to make certain that all samples were received by the laboratory. Assay pulps and crushed reject material are returned by ALS Chemex to Goldcorp's core shack in Mazapil for storage. Drill core is stored in wooden core boxes on steel racks in the buildings adjacent to the core logging and cutting facilities. The core boxes are racked in numerical sequence by drill hole number and depth oarse rejects in plastic bags are stored in cardboard boxes on steel racks in a separate locked building. The coarse reject boxes are labelled and stored by sample number.

Typically, drill programs included insertion of blank, duplicate and standard reference material samples. The quality assurance and quality control program results do not indicate any problems with the analytical programs; therefore the gold, silver, and base metal analyses from the core drilling are suitable for support of Mineral Resource and Mineral Reserve estimation.

Mineral Reserve and Mineral Resource Estimates

See "Technical Information – Summary of Mineral Reserves and Mineral Resources" for the estimated Mineral Reserves and Mineral Resources (silver only, 25% attributable) for the Peñasquito Mine as of December 31, 2013.

As part of project commissioning and initial operations, fluctuations to life of mine average predictions requires the operation to review and use sufficient data that is expected to be meaningful over the life of mine. Depending on the jurisdiction, assumptions made in feasibility studies as to social licence, environmental permitting, environmental monitoring and closure requirements, and regulatory regimes can subject to change by the time a mining operation has reached what is considered to be the average life of mine output.

The Peñasquito Mine operation was reviewed in 2013. The following deviations from the 2008 feasibility study assumptions, based on third quarter 2013 data, were noted:

- Changes to metal price and exchange rate assumptions;
- Changes to the value estimation methodology used in the Mineral Resource block model;
- Updates to the pit shell assumptions used in pit optimization;
- Updates, based on the current knowledge of processing and treatment costs, of the cut-off grade used to determine material sent to either the low-grade stockpile or the waste rock storage facilities;
- Updates to the mine plan such that only material with a low strip-ratio is considered to be mineable whereas previous studies have higher strip-ratio material included in the mine plan;
- Detailed plant throughput data on a fully representative set of production data indicated that the block-scale mineralogical variability was not captured at the sampling spacing available during the feasibility studies. Grade of payable elements was acceptable; however, there were some selective mining unit blocks that had significantly elevated potentially deleterious and penalty-incurring elements. This has resulted in a number of blocks falling below the current economic threshold used for the Mineral Reserves;
- Identification of these higher-penalty selective mining unit blocks has required modifications to in-pit sequencing and mine design so that the material is either not mined at all, or is sent to waste, or is sent to the low-grade stockpile;
- Updates to metallurgical recovery assumptions. Earlier studies had assumed fixed recoveries, and these assumptions were replaced in 2013 by a set of recovery equations based on actual plant performance;
- Updates to the assumptions regarding treatment and refining costs; prior to 2013, these were assumed to be fixed;
- Changes to the classifications used for concentrates, such that there are five concentrate types in 2013;
- Updates to operating and general and administrative costs from 2006 to 2013;
- Updates to sustaining capital cost estimates from 2006 to 2013;
- Imposition by the Mexican authorities of a royalty on precious metals production from January 2014;
- Changes by the Mexican authorities to the taxation regime from January 2014; and
- Capital costs and operating costs for additional water infrastructure to support mine water supply and for the second tailings storage facility.

Mining Operations

Mining Method

Mine production during the first three quarters of 2013 was 167.2 million metric tonnes. For 2014, the throughput rate selected was based on the assumption that a 110 kilotonnes per day ("ktpd") operation can be sustained using the available water well field. From 2015 onwards the operation is expected to benefit from the availability of a new water pipeline and the mine schedule reflects a throughput rate of 115 ktpd for the remainder of the mine life. The current mine plan is based on the 2013 Mineral Reserve estimates, and will produce oxide and sulphide material to be processed through the existing heap leach facility and sulphide plant respectively over a 13-year mine life (2014 to 2026). Material movement peaks in 2014 with 637,807 kt, decreasing to 179,646 kt in the last year of operation in 2026.

A stockpiling strategy will be practiced. The mine plan considers the value of the blocks mined on a continuous basis combined with the expected concentrates quality. From time to time ore material with a NSR profit value between $0.05 and $5.00 is stockpiled to process first higher-value ore. In some instances, the ore is segregated into stockpiles of known composition to allow for blending known quantities of material at the stockpile as required by the mill/customer. Stockpiling at Peñasquito also allows for forward planning for ore quality to ensure optimal mill performance and consistent gold production to match, within the normal bounds of expected variability, the mine plan.

The final pit will have one contiguous outline at surface but will consist of two distinct pit bottoms, one on the Peñasco Zone and one on the Chile Colorado (Brecha Azul) zone. Open pit mining is undertaken using a conventional truck-and-shovel fleet. Drill patterns range from nine metres by nine metres in overburden to 4.3 metres by five metres in sulphide ore. The heap leach ore drill pattern is being adjusted as needed to ensure rock fragmentation of about 127 to 152 millimetres for leaching.

Metallurgical Process

The Peñasquito Mine consists of a leach facility that processes a nominal 25 ktpd of oxide ore and a sulphide plant that processes a nominal 115 ktpd of sulphide ore. Mine construction commenced in 2007. In October 2009, the first lead and zinc concentrates were produced and concentrate shipment to smelters commenced with first sales recorded in November 2009.

Ore placement on the heap leach pad began in February 2008. On April 8, 2008, ore leaching was initiated and the first gold pour occurred on May 10, 2008. During the first three quarters of 2013, a total of 11,918,119 dry metric tonnes of ore were placed on the leach pad. A total of 40,413 ounces of gold and 1,306,258 ounces of silver were produced from the oxide facility in the first three quarters of 2013. Over the life of mine gold and silver recovery from the oxide heap leach has stabilised. Based on this data, future gold and silver recovery from the heap will be fixed at 57 percent for gold and 24 percent for silver.

Oxide Ore

Run-of-mine oxide ore is delivered to the heap leach pile from the mine by haul trucks. Lime is added to the ore, prior to addition of the ore to the pad. Ore is placed in ten metre lifts, and leached with cyanide solution. Pregnant leach solution is clarified, filtered, and de-aerated, then treated with zinc dust to precipitate the precious metals. The precipitated metals are subsequently pressure filtered, and the filter cake smelted to produce doré.

Sulphide Ore

Run-of-mine sulphide ore is delivered to the crusher dump pocket from the mine by 290 tonne rear-dump–haul trucks. The crushing circuit is designed to process up to 148,000 tonnes per day of run-of-mine sulphide ore to 80 percent passing 159 millimetres. The crushing facility initially consisted of a gyratory crusher capable of operating at 92 percent utilization on a 24 hour per day, 365 days per year basis; a parallel in-pit crushing circuit has since been included to support higher throughput.

For the first three quarters of 2013, a total of 29,005,248 dry metric tonnes of ore with an average grade of 0.42 grams per ton of gold, 21.79 grams per tonne of silver, 0.49 percent zinc and 0.25 percent lead was processed through the sulphide plant facility, for a total of 249,237 ounces of gold, 15,599,950 ounces of silver, 237,657,000 pounds of zinc, and 121,979,000 pounds of lead produced (payable metal). Metallurgical recoveries averaged 64 percent for gold, 77 percent for silver, 75 percent for zinc, and 76 percent for lead.

Metallurgical Opportunities

Two upside opportunities have been identified, and evaluations of these opportunities are ongoing.

Concentrate Enrichment Process

Due to the complex nature of the orebody, the lead concentrate can contains relatively high levels of copper, arsenic and antimony. Goldcorp has evaluated processes for treatment of the copper concentrate for selective removal of arsenic and antimony and is developing a process for this purpose whereby arsenic and antimony would be removed from the copper concentrate, with antimony recovered separately, and a potentially marketable copper concentrate, containing gold and silver, would be produced.

Pyrite Leach

The Peñasquito deposit contains gold, silver, lead, and zinc. Gold is primarily recovered into a lead concentrate, with recoveries typically in the 65 percent to 70 percent range. The majority of unrecovered gold is associated with pyrite, which is not recovered by the current flotation process.

To increase overall gold (and silver) recovery, an evaluation is progressing to assess the viability of leaching a pyrite concentrate which will be recovered from the current zinc flotation tailing. Preliminary metallurgical laboratory investigations at the mine have developed a process for the generation of a gold- and silver-bearing pyrite concentrate. This concentrate can subsequently be ground and leached with cyanide to recover a portion of its precious metal content.

Mine Life

To support declaration of Mineral Reserves, Goldcorp prepared an economic analysis to confirm that the economics based on the Mineral Reserves over a 13 year mine life could repay life of mine operating and capital costs. The mine was evaluated on an after-tax free cash flow basis. Results of this assessment indicated positive economics until the end of mine life, and supported Mineral Reserve declaration. Life of mine cash flow after annual sustaining capital requirements is US$5,249 million. Sensitivity analysis was performed on the base case life of mine after-tax net present value. The results of this analysis demonstrate that the financial outcome is most sensitive to operating costs. The next most sensitive parameters are exchange rates, gold prices and gold production.

Markets / Contracts

Goldcorp currently has an operative refining agreement with Met Mex Penoles for refining of doré produced from the Project. Goldcorp's bullion is sold on the spot market, by marketing experts retained in-house by Goldcorp. The terms contained within the sales contracts are typical and consistent with standard industry practice, and are similar to contracts for the supply of doré elsewhere in the world. Part of the silver production is forward-sold to the Company.

The markets for the lead and zinc concentrates from the Peñasquito Mine are worldwide with smelters located in Mexico, North America, Asia and Europe. Metals prices are quoted for lead and zinc on the London Metals Exchange and for gold and silver by the London Bullion Market Association. The metal payable terms and smelter treatment and refining charges for both lead and zinc concentrate represent typical terms for the market and qualities produced by the Peñasquito Mine. In addition to the forward sales contract for silver production with the Company, Goldcorp has entered into sales and collar option agreements for the base metals volumes in relation to Peñasquito Mine concentrate sales.

Taxes

The income tax rate applicable to corporations in Mexico was increased from 28 percent to 30 percent effective January 1, 2014. In addition, a tax-deductible mining royalty of 7.5 percent on earnings before the deduction of interest, taxes, depreciation and amortization, as well as an additional 0.5 percent royalty on precious metals revenue (applicable to precious metals mining companies) will be in effect as of January 1, 2014.

Environment

Various baseline studies, including with respect to water, air, noise, wildlife, forest resources and waste and materials have been completed. Environmental permits are required by various Mexican Federal, State and municipal agencies, and are in place for Project operations. The initial Project environmental impact assessment was authorized on December 18, 2006. This initial document was prepared based on a 50,000 tonnes per day production rate. Additional impact assessments for extensions or modifications to increase permitted capacity to 150,000 tonnes per day have been filed and approved since 2008.

Exploration and Development

Exploration potential remains under the current open pits, and may support underground mining; such an alternative is under consideration through planned conceptual-level engineering studies. The skarn and mantos mineralization identified at depth may also support a potential underground operation; studies are also planned to investigate this option. Currently no underground Mineral Resources or Mineral Reserves are declared.

Production Information

The following table summarizes 2008 to 2013 silver production (100% basis) from the Peñasquito Mine:

Oxides	Units	2008	2009	2010	2011	2012	2013
Produced Payable Gold	(oz)	20,000	83,200	78,399	55,800	42,669	62,300
Produced Payable Silver	(oz)	1,356,000	2,600,000	3,006,262	1,891,000	1,420,300	1,684,100
Sulphides							
Produced Payable Gold	(oz)			89,800	198,300	368,594	341,500
Produced Payable Silver	(oz)			10,946,400	17,154,500	22,284,558	20,763,300

PASCUA-LAMA PROJECT, BORDER OF CHILE AND ARGENTINA

The following description of the Pascua-Lama Project is based on the information disclosed in the annual information form of Barrick filed on March 31, 2014. The Company QP's have approved the disclosure of scientific and technical information in respect of the Pascua-Lama Project in this document.

General Information

The Pascua-Lama property is located in the Frontera District in Chile's Region III and Argentina's San Juan Province. It straddles the Chile-Argentina border and is approximately 150 kilometers southeast of the city of Vallenar, Chile, 380 kilometres by road northwest of the city of San Juan, Argentina and approximately 10 kilometers from the Veladero Mine. The total project area consists of approximately 45,500 hectares in Chile and Argentina. The Chilean part of the deposit, which is at an elevation of approximately 4,300 to 5,250 meters above sea level, was acquired by Barrick through its acquisition of Lac Minerals in 1994. Lac Minerals acquired its interest in the property from Bond Gold International in 1989. Exploration on the property dates back as far as 1977. With respect to the portion of the project located in Argentina, Barrick acquired certain of the mining concessions that form part of the project in 1995. It acquired the remaining project mining concessions through its acquisition of Exploraciones Mineras Argentinas S.A. from Minera S.A. in 1997.

In both Chile and Argentina, Barrick, through its wholly-owned Argentinean subsidiary, Barrick Exploraciones Argentina S.A. ("BEASA"), and its wholly-owned Chilean subsidiary, Compañia Minera Nevada SpA ("CMN"), owns the mining property in the project area. The mining rights have no expiry date, provided the applicable annual land payments are made.

The legislatures of both Chile and Argentina completed the ratification of a Mining Treaty between the two countries in 2000. The Specific Additional Protocol for the Pascua-Lama Project under the Mining Treaty was signed into law by both countries in the third quarter of 2004. The Pascua-Lama Project is within the area subject to the Mining Treaty (the "Protocol Area") and the project is entitled to enjoy the benefits to cross-border mining operations that are granted by the Mining Treaty. An increase in the size of the Protocol Area has been requested to include certain additional project-related infrastructure. This request has been approved by Chile and is expected to be approved by Argentina in due course. In April 2009, the authorities of Chile and Argentina reached an agreement specific to the Pascua-Lama Project, which avoids double taxation for the project under the rules of the Mining Treaty. The provisions of the April 2009 agreement remain in force despite the termination of several double taxation treaties by Argentina in 2012, including the general 1976 double taxation treaty with Chile.

The Pascua-Lama property area is characterized by high mountain ranges and deep valleys with natural slopes of 20 to 40 degrees. Surface material consists of rock outcrops, alluvial and colluvial materials, which are primarily gravel, sand, silt and clay. Vegetation is sparse. The area is considered to have a sub-arid, sub-polar, mountain climate. During the winter months, extreme weather may create a challenging operating environment. Recognizing this issue, the potential impact of possible extreme weather conditions, to the extent possible, will be incorporated into the project's operating plan. Access to the property is pursuant to a combination of public highways and private roads from both, Vallenar, Chile and San Juan, Argentina.

Primary road access in Chile initially was via a 126 kilometer public road (route C 485) from the city of Vallenar, through the town of Alto del Carmen and several small communities to the Barrick property and 44 kilometers on Barrick private road to the Protocol Area access control point at Tres Quebradas. The project recently completed the upgrade of 70 kilometers of an existing public road from Punta Colorada and the construction of 48 kilometers of new road to join the road from Alto del Carmen which runs to the Barrick property. Once inside the Protocol Area the road continues an additional 23 kilometres up to the entry to the mine site at La Mesa.

Primary access in Argentina will be by public highways to Tudcum, some 200 kilometers north of the San Juan Province capital city of San Juan and from there 157 kilometres on an existing private road to the access gate to Barrick´s Veladero Mine, and another 30 kilometres through the Veladero property to the Protocol Area. Once inside the Protocol Area, the road continues another five kilometres to the process plant site.

Sufficient surface rights have been obtained for current operations at the property.

Development

Construction on the Pascua-Lama Project began in October 2009. During the fourth quarter of 2013, Barrick announced the temporary suspension of construction at the Pascua-Lama Project, except for those activities required for environmental and regulatory compliance. Barrick had previously suspended construction activities on the Chilean side of the project, except for those activities deemed necessary for environmental protection, during the second quarter of 2013 as a result of the issuance of a preliminary injunction. This decision to suspend construction in Chile and Argentina will postpone and reduce near-term cash outlays, and allow Barrick to proceed with development at the appropriate time under a more effective, phased approach. A decision to re-start will depend on improved project economics such as go-forward costs, the outlook for metal prices, and reduced uncertainty associated with legal and other regulatory requirements. The most significant of these outstanding legal and regulatory matters include an environmental review process regarding the water quality baseline of the Río Estrecho, receipt of required approvals, legal challenges and instances of non-compliances relating to the project's water management system, including a recent decision from the Chilean environmental court, which CMN has appealed to the Chilean Supreme Court, in respect of such non-compliances that could result in the imposition of more severe sanctions against the Chilean side of the project by Chile's environmental regulator, an environmental damage claim regarding glaciers and a challenge to the project's environmental approval process before the Inter-American Commission on Human Rights ("IACHR"). For more information about these matters, see "Environment" section below.

Barrick anticipates total cash outflows for the Pascua-Lama Project of approximately $700 million in 2014, including approximately $300 million in expenditures for the ramp-down, care and maintenance, environmental and social obligations and remaining capital expenditures, with the balance of the expected cash outflows reflecting the drawdown of amounts accrued for at the end of 2013. The ramp-down is progressing on schedule for completion by mid-2014. In the meantime, Barrick will update and refine capital cost estimates and stage the project's remaining development into distinct phases with specific work programs, budgets and objectives. This staged approach is expected to facilitate more efficient planning and execution, more effective capital deployment, and improved cost control. In the interim, Barrick will explore opportunities to improve the project's risk-adjusted returns, including strategic partnerships or royalty and other income streaming agreements.

In 2009, Barrick entered into the Silver Purchase Agreement with the Company whereby it sold the equivalent of 25% of the life of mine Pascua-Lama silver production from the later of January 1, 2014 or completion of project construction, and 100% of silver production from the Lagunas Norte Mine, Pierina Mine and Veladero Mine until that time. Barrick initiated the closure of the Pierina Mine in August 2013 and does not anticipate significant silver production from that mine in future years. In return, Barrick was entitled to an upfront cash payment of $625 million payable over three years from the date of the agreement, as well as ongoing payments in cash of the lesser of $3.90 (subject to an annual inflation adjustment of 1% starting three years after project completion at Pascua-Lama) and the prevailing market price for each ounce of silver delivered under the agreement. Barrick received the final cash installment payment of $137.5 million in 2012. Barrick had provided the Company with a completion guarantee, requiring Barrick to complete Pascua-Lama to at least 75% design capacity by December 31, 2015. In 2013, the Company agreed to extend the completion date for Pascua-Lama to December 31, 2017 and will continue to receive silver production from the Lagunas Norte Mine, Pierina Mine (now in closure) and Veladero Mine until December 31, 2016. If the requirements of the completion guarantee have not been satisfied by December 31, 2017, the agreement may be terminated by the Company, in which case the Company will be entitled to the return of the upfront cash consideration paid less a credit for silver delivered up to the date of that event. At December 31, 2013, the remaining cash obligation was $365 million.

To date, Barrick has identified over 1,500 permits and authorizations required for the construction, operation and/or closure of project facilities at Pascua-Lama in both countries. The project has obtained over 900 permits and the remaining permits are expected to be obtained as required.

Barrick is aware of a number of actions that have been initiated against the Province of San Juan in Argentina relating to approvals granted in respect of or actions affecting the Pascua-Lama Project. Barrick is not a party to such actions and has limited information with respect to the nature or status of the claims or complaints. In addition, certain other complaints and actions relating to the project have been brought against subsidiaries of Barrick. In 2011, Mountain-West Resources Inc. ("MWR") issued a series of false and misleading press releases in which MWR falsely claimed that the Chilean portion of the Pascua-Lama Project is not owned by Barrick but is instead owned by a third party who had granted MWR an option to acquire 50% of that property. Barrick has advised MWR that these statements are false and misleading, and has vigorously opposed all attempts by MWR and its associates to interfere or otherwise challenge the ownership and possessory rights of Barrick or its subsidiaries that are needed to develop the Pascua-Lama Project. Based on the information currently available to Barrick, none of these actions or complaints is believed to present a significant risk to the development of the Pascua-Lama Project.

In 2007, the Huascoaltinos Agricultural Community filed a petition against the State of Chile before the IACHR claiming that certain of Barrick's rights under the American Convention of Human Rights had been violated as a result of, amongst other things, the State's issuance of certain environmental approvals relating to the project. Barrick is not a party to the proceedings and Barrick believes that the petitioner's claims are without merit. Depending on the decision reached by the IACHR, the IACHR could, amongst other things, potentially impose precautionary measures on the State or recommend alterations to the conditions under which the project was approved or reopen its environmental review. Any such decision could limit or suspend Barrick's ability to develop the project, and could potentially affect Barrick's ability to complete the project as it is currently designed.

In December 2013, the Province of San Juan, Argentina adopted a new provincial law that creates a registry of approved local suppliers to be administered by the provincial mining ministry. In order to be designated as a "local supplier," a company must be based and domiciled in the Province of San Juan, and must also hire 80% of its work force from the Province of San Juan. The new law requires mining companies conducting exploration or exploitation activities in the Province, such as Barrick, to allocate 75% of their annual purchases or contracts to such local suppliers. Barrick is currently evaluating a possible judicial or administrative challenge to the new law.

In April 2011, the Argentinean government implemented import controls on a greater number of goods. Delays associated with these import controls have the potential to affect certain aspects of Pascua-Lama's operations, such as maintenance and new construction that are dependent on imported goods. Barrick's activities at Pascua-Lama were not impacted by these measures in 2013.

Geology

The Pascua-Lama Project is located in the high Andean Mountains, in what has been designated as the Eastern Belt of Hydrothermal Alteration. The gold, silver and copper mineralization at the Pascua-Lama Project is part of a mineralized acid sulfate system that was structurally controlled within intrusive and volcanic rock sequences of Upper Paleozoic and Middle Tertiary age.

Basement rocks in the Pascua-Lama Project area are dominated by a multiphase granite pluton that may be a slightly younger upper Permian or lower Triassic phase of the Permian Guanaco Sonso sequence of intrusive and volcanics. In the deposit area, the granite intrudes older diorites and volcanic pyroclastic units and is, in turn, intruded by diorite stocks and dykes of mid-Tertiary Bocatoma age. During Tertiary time, all of the previously described rocks were cut by sub-vertical fault zones and hydrothermal breccias located at complex fault intersections.

Numerous breccias bodies occur in the Esperanza, Quebrada de Pascua and Lama areas. At the surface, these breccias vary in size from outcrops measured in centimeters up to hundreds of meters. Typically the breccias show a strong correlation to zones of intersection of two or more major structural zones. Breccia Central, the large inter mineral breccias pipe, occurs in the Quebrada de Pascua area. On the surface, this breccia body is about 650 meters long and up to 250 meters in width, while underground, between 200 and 400 meters below the surface, the composite body measures about 550 meters in length and up to 130 meters in width. It extends to at least 700 meters below surface. This well mineralized breccia pipe is evidence of an explosive hydrothermal event related to the formation of the Quebrada de Pascua ore deposit. Breccia Oeste and Breccia Sur are the two large post mineralization breccias pipe complexes located in the mine area. Oriented north/south along the Breccia Oeste fault zone in the Esperanza area, the Breccia Oeste pipe measures up to 500 meters long, up to 150 meters wide, and extends up to 300 meters below surface.

Mineral Reserve and Mineral Resource Estimates

See "Technical Information – Summary of Mineral Reserves and Mineral Resources" for the estimated Mineral Reserves and Mineral Resources (silver only, 25% attributable) for the Pascua-Lama Project as of December 31, 2013.

Mining and Processing

The Pascua-Lama Project is designed as a large-scale open pit operation centered at an elevation of 4,800 meters with processing facilities having a designed throughput capacity of 45,000 tonnes per day. Non-refractory oxide ore produced by the mine will be subject to cyanide leaching, while refractory sulphide ore will be subjected to flotation prior to cyanide leaching of the flotation tailings. Both ore types will be ground and washed. The development of the processing facilities has been staged to reflect the expected composition of the ore over the mine life. Final products from the process include doré bullion and gold/silver/copper flotation concentrates.

The plant consists of primary crushing, wet grinding in autogenous mills, ball milling, CCD washing, pre-aeration, oxygen assisted cyanide leaching, CCD thickening for pregnant solution recovery, neutralization, cyanide detoxification, cementation using Merrill-Crowe, retorting, smelting and tailings deposition. For the treatment of the refractory ore, a flotation circuit will be added. The processing plant is designed to operate 24 hours a day, 365 days per year. The average design throughput is approximately 2,000 tonnes per hour. Based on existing reserves and anticipated production capacity, the expected mine life will be approximately 25 years.

During years 1 and 2, the process facility is designed to process 45,000 tonnes per day of non-refractory ore through three mill lines (Phase 1). In the late first quarter of year 3, a flotation facility will be added and refractory ore will be introduced to one of the mill lines at the rate of 15,000 tonnes per day (Phase 2). During this phase, which continues throughout the remainder of the mine life, the remaining two mill lines continue to process non-refractory ore at 30,000 tonnes per day. Recovered gold and silver from the leach circuit will be smelted into doré on-site and shipped to an outside refinery for processing into bullion. During the mine life refractory ore in the form of gold/silver/copper concentrate will be sold to an offsite smelter.

Until permanent power is required at site, temporary construction power will be provided by diesel generator. The temporary construction generators will be suitable for use as emergency back-up generators during operations in the event of a primary power failure. Permanent electrical power for the project will be provided by a single circuit 220 kilovolts 106 kilometres line from a main substation connected to the Chile main Central Interconnected grid System (SIC) near Punta Colorada (Coquimbo Region) to a substation near the Protocol Area Access Control point in Chile. From there, separate 220 kilovolt lines will be provided for power supply to the substations located at the process plant in Argentina (47 kilometres) and the mine facilities in Chile (23 kilometres). The construction of the primary power supply system was completed in mid-2013.

Environment

The Pascua-Lama Project environmental permit was submitted to both Chilean and Argentine authorities in 2000. The Pascua-Lama Project received conditional Environmental Impact Assessment ("EIA") approval from appropriate authorities in Chile in April 2001 and, in December 2004, CMN submitted a second EIA in respect of modifications of the project. CMN received conditional approval of the EIA from Chilean environmental regulatory authorities in February 2006. In San Juan Province, BEASA submitted an Environmental Impact Report (Informe de Impacto Ambiental, "IIA") in 2000 to support the environmental approval process for the Argentine components of the project. In 2004, BEASA developed an updated IIA assessing the cumulative environmental impacts of the Pascua-Lama Project and the nearby Veladero Mine. BEASA received conditional approval of the project from the San Juan, Argentina environmental regulatory authority in December 2006. Under Argentine law BEASA is required to update the IIA at least every two years. To date, BEASA has submitted four IIA updates, with the last update submitted on March 14, 2014.

All environmental aspects of Pascua-Lama were reviewed during the course of the Argentine and Chilean environmental assessments. CMN and BEASA have developed environmental management plans addressing the key environmental aspects of the project for construction and operation phases. Most of the ore and waste rock to be excavated from the open pit is defined as potentially acid generating due to its geochemical characteristics. In the upper Estrecho valley in Chile where the waste rock will be stockpiled, project development plans include a water management system to divert non-contact waters around the waste rock facility and to collect and treat any drainage from the waste rock. Treated water will be utilized in the mine for industrial purposes (mainly fugitive dust control) and discharged within environmental and sectorial standards to the Río Estrecho.

Operational failures occurred in December 2012 and January 2013 in the project's non-contact water management system. CMN reported these instances of non-compliance to Chile's environmental regulator (the Superintendencia del Medio Ambiente or "SMA"). In May 2013, CMN received a resolution from the SMA (the "SMA Resolution") that requires the company to complete the water management system in accordance with the project's environmental permit before resuming construction activities in Chile, and also required CMN to pay a $16 million administrative fine. Barrick paid the fine in May 2013 and submitted a compliance plan to the SMA to complete the water management system, subject to regulatory approval of specific environmental and sectorial permit applications. In June 2013, a group of local farmers and indigenous communities challenged the adequacy of the fine imposed by the SMA Resolution and requested more severe sanctions against CMN. On March 3, 2014, the Chilean Environmental Court annulled the SMA Resolution and remanded the matter back to the SMA for further consideration in accordance with its decision. A new resolution from the SMA could include more severe sanctions against CMN such as an increase in the amount of the fine above the approximately $16 million paid by Barrick in May 2013 and/or the revocation of the project's environmental permit. The Environmental Court did not annul the portion of the SMA Resolution that required Barrick to halt construction on the Chilean side of the project until the water management system is completed in accordance with the environmental permit. On March 20, 2014, CMN filed an appeal to the Chilean Supreme Court requesting the annulment of the March 3, 2014 decision of the Environmental Court and the issuance by the Chilean Supreme Court of a new decision in the matter. The SMA has not filed a challenge to the Environmental Court decision.

Even if the project's water management system is completed to the satisfaction of the SMA, a decision to re-start construction will still be contingent upon improved project economics and the resolution of other outstanding legal proceedings (see "– Development" above). In addition to the challenge to the SMA Resolution referenced above, a group of local farmers has also filed an environmental damage claim against CMN alleging damage to glaciers in the Pascua-Lama Project area.

CMN initiated a review of the baseline water quality of the Río Estrecho in August 2013 as required by a July 15, 2013 decision of the Court of Appeals of Copiapo, Chile. The purpose of the review is to establish whether the water quality baseline has changed since the project received its environmental approval in February 2006 and, if so, to require CMN to adopt the appropriate corrective measures. Such actions could include changes to the manner in which the water quality of the Río Estrecho is measured as well as potentially significant modifications to the project's environmental monitoring and water management systems, as determined by the relevant Chilean environmental authorities. CMN has requested that certain aspects of its environmental approval relating to water quality be held in abeyance while this review is ongoing. This request remains under consideration by Chile's environmental authorities. Barrick currently expects the baseline water quality review to be completed by the end of 2014, subject to any changes to the existing scope of the review and the outcome of the challenge to the SMA Resolution referenced above.

In Argentina, the process plant will utilize sodium cyanide to recover gold and silver from the ore. The process plant and tailings storage facility have been designed to prevent process solutions from being released to surface water or groundwater. These facilities will be lined and will include seepage detection and collection systems. The facilities will also include treatment through a cyanide destruction circuit. Management procedures for cyanide handling, monitoring and transportation in accordance with the International Cyanide Management Code are being implemented for the project.

On September 30, 2010, the National Law on Minimum Requirements for the Protection of Glaciers was enacted in Argentina, and came into force in early November 2010. The federal law bans new mining exploration and exploitation activities on glaciers and in the "peri-glacial" environment, and subjects ongoing mining activities to an environmental audit. If such audit identifies significant impacts on glaciers and peri-glacial environment, the relevant authority is empowered to take action, which according to the legislation could include the suspension or relocation of the activity. In the case of the Pascua-Lama Project, the competent authority is the Province of San Juan. In late January 2013, the Province announced that it had completed the required environmental audit, which concluded that Pascua- Lama has not impacted glaciers or peri-glaciers.

At December 31, 2013, the recorded amount of estimated future reclamation and closure costs that were recorded under IFRS as defined by IAS 37, and that have been updated each reporting was approximately $103.7 million.

Exploration, Drilling and Analysis

As of December 31, 2013, the drill hole database used to support the development of mineral resources for the Pascua-Lama property contains 1,222 reverse circulation holes, 300 diamond drill core holes, 282 underground diamond drill core holes, 1,785 underground channel samples, 577 surface channel samples, 204 metallurgical samples and 20 muck samples. The gold and silver resources have been estimated from representative samples taken from 330,971 meters of reverse circulation holes, 82,288 meters of diamond drill holes, 66,980 meters of underground diamond drill holes, 16,496 meters of underground channel samples and 16,254 meters of channel samples. The drill hole spacing is variable, approximately 30 to 50 meters in the Esperanza area and 50 to 80 meters in the Pascua area. No exploration drilling is currently planned for 2014.

Drill samples collected for use in geologic modeling and mineral resource estimation are under the direct supervision of the geology department at Pascua-Lama. All drill hole collar, survey and assay information used in modeling and resource estimation are externally and internally verified and approved by the staff geologists prior to entry into the mine-wide database. Sample preparation and analyses are conducted by independent laboratories in Santiago, Chile. Procedures are employed to ensure security of samples during their delivery from the drill rig to the laboratory. The quality assurance procedures, data verification and assay protocols used in connection with drilling and sampling on the Pascua-Lama property conform to industry accepted quality control methods.

Regular internal auditing of the mineral reserve and mineral resource estimation processes and procedures are conducted.

Royalties and Taxes

Pursuant to federal legislation which implemented law 24.196 in May 1993, and Provincial legislation adhering to the same, operating mines are required to pay to the Provincial government a royalty of up to 3% Boca Mina for minerals extracted from Argentinean soil. This Boca Mina is defined as the sales value of the extracted minerals less certain permitted expenses. In addition, Barrick is obligated to pay a gross proceeds sliding scale royalty on gold produced from the Pascua-Lama properties located in Chile ranging from 1.433% to 9.555% and a 1.91% net smelter royalty on copper produced from the properties. In addition, a step-scale 5% or 7.5% gross proceeds royalty on gold produced and a sliding scale net smelter royalty of 0.5% to 6% on all products other than gold and silver is payable in respect of certain portions of the property located in Argentina, not currently included in the mine plan. The sliding scale and step-scale royalties on gold increase with rising spot gold prices.

In 2002, as an emergency measure, Argentina adopted a 5% export duty on certain mineral products, including gold. At the time, the duty was described as “temporary”. Export of gold doré from Barrick’s Veladero Mine is currently subject to this duty. Should such export duty continue to be in place at the time that the Company commences production from Pascua-Lama, only production from ore extracted in Argentina will be subjected to such duty.

In October 2011, the Argentinean government issued Decree 1722, which requires crude oil, natural gas, and mining companies to repatriate and convert all foreign currency revenues resulting from export transactions into Argentine pesos. A bank transaction tax of 0.6% applies to both the initial conversion of foreign currency revenues into pesos and the subsequent conversion of pesos to foreign currencies.

In September 2013, Argentina adopted a new 10% tax on dividends paid by Argentine entities to individuals and non-resident investors. Barrick believes that this withholding tax is not applicable to dividends to be paid by the Argentine side of the Pascua-Lama Project as a result of an existing tax stability arrangement.

SALOBO MINE, BRAZIL

Christopher Jacobs, CEng MIMMM, Vice President and Mining Economist, Micon International Ltd., James Turner, BSc (Hons) MSc CEng MIMMM, Senior Mineral Process Engineer, Micon International Ltd., Barnard Foo, P. Eng., M. Eng, MBA, Senior Mining Engineer, Micon International Ltd. and Jason Ché Osmond, Senior Geologist, Micon International Ltd. prepared a technical report in accordance with NI 43-101 entitled "Technical Report on the Mineral Reserves and Mineral Resources of the Salobo Copper-Gold Mine Carajás, Pará State, Brazil" dated March 19, 2013 (the "Salobo Report"). Christopher Jacobs, James Turner, Barnard Foo and Jason Ché Osmond are qualified persons under NI 43-101. The following description of the Salobo Mine has been summarized from the Salobo Report and readers should consult the Salobo Report to obtain further particulars regarding the Salobo Mine. A copy of the Salobo Report is available under the Company's profile on SEDAR at www.sedar.com.

Property Description and Location

The Salobo Mine is a copper-gold deposit located approximately 80 kilometres northwest of Carajás, Pará State in northern Brazil. Geographic coordinates for the property are 5°47'25" S latitude and 50°32'5" W longitude.

The Salobo Mine comprises a single claim and is permitted for mining copper and gold under National Department of Mineral Production ("DNPM") 807.426/74. The area of the property is 9,180.61 hectares, as defined by Exploration Permit no. 1121, dated 14 July, 1987. Brazilian legislation separates the ownership of the surface rights from mineral ownership. A mining company can operate a mine even if does not own the surface, provided it owns the minerals. In this case it is necessary to pay a royalty to the surface owner. The royalty is calculated as 50% of the CFEM (Compensation for Financial Exploitation of Mineral Resources), which is paid to the government. The mining concessions are updated every year on presentation by Vale of the annual report of mining production to the DNPM. The Salobo Mine received its first Operating Licence No. 1096/2012 on November 5, 2012, valid for four years. Vale maintains that the company holds clear mineral title to the deposit areas and has the necessary permits for operation of the mine.

The area is well-served by railroads and highways that connect the seaport and other cities. Air service is available at the Carajás airport, which is approximately 70 kilometres southeast of Salobo and is capable of receiving commercial aircraft. There are regular flights to Belém (capital city of Pará state, population 2 million) and to other Brazilian cities. The city of Marabá is approximately 240 kilometres east-northeast from Salobo by highway.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

The tropical climate, typical of the Amazon region, is humid and hot with a temperature ranging from 17 degrees Celsius to 32 degrees Celsius, and averaging 27 degrees Celsius. The average humidity is about 76 percent and the average annual rainfall is approximately 192 centimetres. The rainy season extends from December to April, with most rainfall occurring in February and March.

In the Salobo Mine area, surface elevations range from 190 to 520 metres, compared to the elevation of 850 metres attained on the Carajás Ridge to the southeast. The topography is fairly steep: the Salobo ridge, where the deposit is located, has a nominal slope of 2.5H:1.0V. On either side of the Salobo ridge are the Cinzento and Salobo Rivers, respectively, both of which flow into the Itacaiúnas River. The latter flows into the Tocantins River, close to the city of Marabá.

Salobo is within the Flona de Tapirape-Aquiri national forest which is 190,000 hectares in area. The deposit is in the northwestern portion of the Carajás Reserve. The main ecosystem is tropical forest, which is dominated by relatively dense trees with substantial brush in the under-storey.

Mining is the primary industry of the area. As well as Salobo, Vale also operates a very large iron ore mine at Carajás, and the established Sossego copper mine.

Concentrate produced at the mine is hauled by 40 tonne (gross weight) highway trucks 85 kilometres on the highway to a rail-loading site located approximately ten kilometres north of the town of Parauapebas. From there, it is transported by train 870 kilometres to Itaqui port located near the coastal city of São Luís in the State of Maranhão.

Electrical energy is supplied from Tucuruí, a 8,370 megawatt hydroelectric generating station on the Tocantins River, 200 kilometres north of Marabá, and 250 kilometres due north of Parauapebas. An 87 kilometre overhead transmission line (230 kilovolts) supplies the Salobo site. There is no ring feed.

Process make-up water comprises runoff and direct precipitation within the tailings storage basin. This raw water is pumped up to the plant together with return water from tailings deposited in the storage facility. At the time of Micon's visit, excess water was being discharged from the tailings storage facility ("TSF").

The Salobo TSF, comprising an earth dam and concrete-lined spillway, was designed for Vale by Brazilian engineering company BVP Engenharia to withstand a one in 10,000 year event. The TSF, when completed to a height of 285 metres, will have sufficient capacity to store tailings resulting from the planned 40 years of production. At present, work is underway to lift the impoundment from 170 metres above sea level to an intermediate design height of 220 metres above sea level. Potentially, the TSF site could also store the material presently identified as mineral resources.

History

The Salobo copper deposit was discovered in 1974 during exploration carried out by Companhia Vale do Rio Doce, now known as Vale ("CVRD") personnel. In 1977, a detailed exploration program commenced and in 1978 the presence of copper sulphides associated with magnetic schist was confirmed and the first drill hole was completed that intersected a mineralized interval of 140 metres at 0.45 percent Copper.

From 1985 to 1987, a pilot-scale study was carried out at Salobo and, in July, 1987, mining rights were awarded to CVRD. On 29 June, 1993, Salobo Metais S.A. ("SMSA") was created as a joint venture between CVRD and Morro Velho Mining, to further study the economic viability of the deposit. In 1997, almost 30,000 metres of drilling was completed to support a pre-feasibility study directed by MRDI. This was followed in 1998 with the first feasibility study. Subsequently in 2001, a revised feasibility study was completed by Kvaerner, which was then updated in 2002 by AMEC E&C Services Inc. CVRD acquired a controlling interest in the property in June, 2002.

The period 2002 and 2003 saw an additional 72,000 metres of drilling completed. There followed a number of independent mineral resource models and audits by Snowden (2003), Golder and AMEC (2004), Pincock, Allen and Holt (2005 and 2008), and Golder (2010). The latter went on to prepare the current (2012) block model and Mineral Resource estimate. The definitive feasibility study was completed by Fluor JPS in June, 2004.

In 2007, CVRD changed its name to Vale S.A.

Pre-stripping operations were commenced at the Salobo Mine in 2009, and the Phase I process plant commenced commissioning and ramp-up in June, 2012. Phase II construction is now well advanced and is expected to be complete in 2014.

Geology and Mineralization

Regional Geology

The Carajás Mining District, located in the southeast of Pará State, Brazil, is a unique geologic feature covering an area of about 30,000 square kilometres (300 kilometres by 100 kilometres), between the Xingu and Tocantins / Araguaia Rivers.

The Carajás Province is a major late Archean basin, deformed into a sigmoid shape, trending west-northwest – east-southeast. The Carajás sigmoid shape is further defined by several major west-northwest – east-southeast lineaments such as the Carajás and Cigano sinistral fault zones. Northeast and northwest fault systems crosscut the region.

The Carajás Archean volcano-sedimentary sequence is composed mainly of bimodal volcanic, chemical sediments, including the gigantic banded iron formations (BIF) that host the largest iron deposits in the world, and pyroclastic and clastic sediments. Several Archean intrusive units, the calc-alkaline Plaquê Suite (2.77 billion years old), and the alkaline Salobo and Estrela granites (2.5 billion years old), are known to have a strong correlation with copper–gold mineralization in Carajás. There are many generations of mafic bodies including some that are post-mineral dykes. A Proterozoic suite (1.88 billion years old) of alkaline granites, the central Carajás granite, Cigano, and Pojuca granites, also intrude the Carajás sequence. Several generations of younger mafic dykes crosscut the entire sequence.

The Carajás volcano-sedimentary sequence has been locally named the Itacaiúnas Supergroup, which has been tentatively divided from top to the bottom into:

I. Igarapé Bahia Group – is composed of mafic volcanic: lavas, tuffs and breccias, meta-sediments and BIF, with deposits of copper, copper-iron, copper-gold-Mo-silver including the Igarapé Bahia (18 million tonnes at 4.0 grams per tonne gold in the weathering profile) and Alemão/Bahia deposits (120 million tonnes at 1.1 percent copper and 1.5 grams per tonne gold). The Serra Pelada oxide-gold deposit is hosted by an overlying clastic metasedimentary sequence.

II. Grão Pará Group - consists of the basal Parauapebas Formation made up of bimodal volcanic rocks with various degrees of hydrothermal alteration, metamorphism and deformation. The Parauapebas is overlain by the Carajás Formation, which hosts the gigantic Fe deposits (18 Bt at 15 percent iron).

III. Igarapé Pojuca Group - comprises basic to intermediate volcanics (frequently with cordierite- anthophyllite alteration), amphibolites, gneisses and chemical sediments (cherts), BIF of oxide-silicate facies and schists of various compositions. The BIF unit hosts the Pojuca copper-zinc deposit.

IV. The Igarapé Salobo Group – is composed of iron-rich sediments associated with quartzites and gneisses, amphibolite facies of metamorphism, which includes the Salobo copper-gold deposit.

The basement of the Carajás sequence comprises a gneissic terrain with remnants of Archean greenstone belts. Copper and gold mineralization within the province is associated with Archean felsic intrusives (Plaquê and Estrela Granites). Proterozoic anorogenic felsic intrusives (dykes) and Mesozoic mafic dykes crosscut the Carajás Sequence and the gneissic terrain.

The Salobo and Sossego gold–copper deposits lie within the Carajás belt of the Amazon craton. Basement rocks comprise gneisses and migmatites of the Xingu Complex and orthogranulites of the Pium Complex that were metamorphosed at about 2.8 Ga. In the Carajás belt, the basement assemblage defines a broad, steeply dipping, east-west trending ductile shear zone (Itacaiúnas shear zone), which experienced multiple episodes of reactivation during the Achaean and Palaeoproterozoic. Unconformably overlying the basement is a sequence of volcano-sedimentary rocks of Archaean age (2.75 billion years ago), the Itacaiúnas Supergroup. The basal unit is the Grão Pará Group that includes greenschist-facies metamorphosed metavolcanic rocks and BIF.

Sandstone and siltstone deposited in a shallow marine to fluvial environment (Águas Claras Formation), dated at 2.645 billion years old to 2.681 billion years old, overlie the volcanic rocks of the Grão Pará Group. The volcano-sedimentary sequence has been intruded by granitic rocks of various ages. Palaeoproterozoic intrusions (ca. 1.88 billion years old) include several anorogenic granitic plutons, such as the Central Carajás and Cigano granitoids. Achaean intrusions include granitoids and diorites of the Plaquê Suite (ca. 2.74 billion years old), younger alkaline granitoids (ca. 2.57 billion years old), such as the Estrela Complex, the Old Salobo Granite (2.573 ± 0.002 billion years old) and the Itacaiúnas Granite.

Property Geology

The Salobo mineralization is hosted in the biotite-magnetite (BDX) and amphibolite magnetite schists (“XMT”) along the trend of a steeply dipping sequence of metamorphic rocks. Granitic intrusives (granitoid, GR) occur adjacent to the north side of the sequence of rocks and a series of much younger diorite dykes (diabase, DB) crosscut the mineralization forming barren zones. Copper mineralization occurs as chalcocite and bornite, with subordinate quantities of chalcopyrite, together with variable proportions of molybdenite, cobaltite, covellite, gold and silver, contained in schists with variable proportions of magnetite, amphibole, olivine, garnet, biotite, quartz and plagioclase. Brittle-ductile shear zoned deformation has resulted in lenticular shaped ore shoots that characteristically show close associations between copper mineralization and magnetite contents.

Near-surface weathering of the bedrock in the deposit area has produced a humid, clayey saprolite surface layer. The sulphide mineralization in the upper 20 metres to 25 metres part of the saprolite has been oxidized, while the lower five metres to ten metres of the saprolite contains variable sulphides, and is transitional downward into fresh, sulphide-bearing bedrock. The oxide saprolite layer has been partially leached by groundwater resulting in a significant reduction in the copper and gold content. The sulphide saprolite is a transitional unit for which leaching has also reduced the copper and gold content, but to a lesser degree than the oxide saprolite. The lack of sulphides and the reduced grade in the oxide saprolite prohibits it from currently being considered of economic interest.

Magnetite Schist (XMT)

XMT is represented by massive, foliated and banded rocks, with predominant magnetite, fayalite, grunerite, almandine and secondary biotite. Granoblastic textures with polygonal contacts in magnetite and fayalite are common. The presence of fayalite is marked by the replacement of grunerite and greenalite and transformation into magnetite and other sulphides. Iron-potassic alteration is common, creating schistosity in biotite units.

The southeast portion of the deposit hosts hastingsite, replaced partially by actinolite, grunerite and sulphide minerals. Fluorite, apatite, graphite and uranium oxides are associated with this assemblage, Fe-silicate minerals and alteration products of fayalite.

Garnet-Grunerite Schist (DGRX)

These are massive rocks with local development of schistosity. The rocks with significant almandine and grunerite content have isotropic texture or very few schistosity structures, with nematoblastic and granoblastic texture. The main mineralogical composition consists of almandine and cummingtonite-grunerite, with magnetite, hematite, ilmenite, biotite, quartz, chlorite, tourmaline and subordinate allanite. Fluorite and uraninite generally occur in veinlets related to stilpnomelane, calcite and grunerite.

Biotite Schist (BDX)

This unit is the most common lithology at Salobo and consists of medium to coarse-grained material with anastomosed foliation. The mineral assembly is characterized by biotite (responsible for the foliation observed within the rocks), garnet, quartz, magnetite and chlorite. The assemblage with garnet, magnetite, grunerite and biotite is partially replaced by a second generation of biotite and magnetite with chlorite, K feldspar, quartz, hematite and sulphides. Tourmaline, apatite, allanite, graphite and fluorite generally occur throughout this unit.

Feldspar-Chlorite Mylonite (ML)

The feldspar-chlorite-quartz mylonite is characterized by mylonitic foliation, produced by the orientation of rims of chloritized deformed biotite, hastingsite, elongated quartz and saussuritized plagioclase (K-feldspar, epidote and muscovite alteration). Porphyroblastic garnet is partially or totally replaced by chlorite and epidote. Allanite and apatite generally occur throughout this lithology.

Metavolcanic Basic (MTB)

This group of massive coarse-grained rocks is characterized by Fe-hastingsite and/or hornblende and plagioclase with chlorite alteration. It occurs irregularly in the system, but is concordant with other lithotypes in abrupt contacts, probably hydrothermally altered intrusive basic relicts within the package of volcanic rocks.

Quartz Mylonites (QML)

Quartz mylonites are grey or white in colour, passing through green to red. Where present, Fe-oxides are medium to fine grained, foliated and composed predominantly of quartz, muscovite, sericite, sillimanite and chlorite. Accessories, such as biotite, feldspar, magnetite, almandine, tourmaline, zircon and allanite are common. It is possible to differentiate: (a) red quartz-feldspathic rocks formed by K-feldspar and quartz and which may be a product of shearing between the gneissic basement and the supracrustal rocks; and (b) chlorite schists, mainly composed of chlorite and quartz, that represent intense hydrothermal alteration. This unit is found near the southern border of the deposits, close to important brittle shear zones, which may be interpreted as conduits for hydrothermal fluids.

Old Salobo Granite (GR)

The Old Salobo Granite occurs as a stockwork of approximately 2,573 ±2 million years old. The rocks appear colorless-pink to grey, coarse grained and with mylonitization in some areas. The main mineralogy is composed of K-feldspar (orthoclase-microcline), oligoclase, quartz, augite, hornblende, chlorite and, rarely, magnetite. There is no evidence of contact metamorphism with the host rocks. The mylonitic aspects that appear both in granite and host rocks are likely to have formed during the deformation phase.

Young Salobo Granite (GR)

The Young Salobo Granite occurs as small northwest-trending sills, hosted by the supracrustal sequence and by the gneisses of basement. It corresponds to the youngest granitic intrusion detected by drilling in the Salobo area. In some porphyritic portions, the matrix is aphanitic, containing a porphyry of red albite (Fe-oxide in micro-fractures) and chlorite pseudomorphed by biotite. This mineral assemblage is composed of fine to medium grained, equigranular, hypidiomorphic grains of albite/oligoclase, orthoclase, quartz, chlorite, with minor epidote, zircon, fluorite, magnetite, chalcopyrite and pyrite. Deformation was not observed and the structure is isotropic. Age dating indicates an age of 1,880 ±80 million years old.

Diabase (DB)

Diabase is located in southeast of the deposit, striking at approximately N70°E, while in the northwest of the deposit striking near to N20°W. The predominant minerals comprising the rock type are augite, plagioclase, magnetite, ilmenite and quartz. The fine grained diabase has an age of 553 ±32 million years old, while the more granular margins are dated at 561 ±16 million years old. This unit represent the last magmatic event of the area. The dykes are set within shear/fault lateral geometries to (N70°E) and frontal geometries (N20°W), probably developed before the intrusions, in a compressional regime modified by an extensive regime.

Rhyolite (RIO)

Rhyolite dykes are grey-reddish in colour, porphyritic in texture within an aphanitic matrix. The majority are composed of K-feldspars, plagioclase, quartz, amphibole in a matrix cut by quartz veinlets. In drill holes the occurrence is rare or an ultimate phase.

Mineralization

The sulphide mineralization consists of assemblages of magnetite-chalcopyrite-bornite and magnetite bornite- chalcocite. Variable amounts of molybdenite, cobaltite, safflorite, gold and silver, also exist hosted by rocks which contain magnetite, fayalite, grunerite, garnet, biotite, quartz and plagioclase. The mineralization is related to Fe-rich rocks and occurs in lenticular shears and hydrothermally altered zones. The chalcopyrite is associated with magnetite schists (XMT) rich in fayalite and magnetite.

Different styles of mineralization can be found: disseminated, with planar structures (stringers) parallel to rock, associated with local concentrations of magnetite and/or garnet, filling or surrounding the fractures of mineral grains (stock works); in cleavages of amphiboles and platy minerals, consisting of massive sulphide, parallel to bedding of hosted rocks in some cases, as well as remobilized mineralization in shear zones. Chalcopyrite, bornite, and chalcocite occur interstitially in silicate minerals. These sulphide minerals are commonly found filling the cleavage planes of biotite and grunerite. Hematite is rare but, in places, comprises as much as four percent by volume. It exhibits tabular texture (specularite), with infilling bornite and partial replacement by magnetite.

Native gold grains are observed locally, mainly occurring as inclusions in cobaltite and safflorite or interstitial to bornite. In addition, ilmenite, uraninite, allanite, fluorite and apatite occur as accessory minerals. The above textural relationships indicate that mineralization was firstly marked by an oxide stage, with a subsequent sulphide stage.

Molybdenite occurs interstitial to magnetite, and shows cleavages planes filled with chalcopyrite and bornite. In mylonitic samples, molybdenite forms kinked stringers with marked variable extinction, the result of in-lath recrystallization.

Magnetite occurs mainly as idiomorphic to sub-diomorphic grains, interstitial to silicate minerals or in fractures, or forms bands in mylonitic rocks.

The gangue minerals are almandine, garnet, grunerite and tourmaline, reflecting the intense iron-metasomatism. Minor amounts of fayalite and hastingsite are pseudomorphed by grunerite and magnetite. Tourmaline, with a dominant schorlitic composition occurs as idiomorphic crystals preferentially oriented parallel to mylonitic foliation, in association with biotite, garnet and grunerite.

Biotite sub-diomorphic crystals, commonly kinked, are associated with potassic alteration and spatially related to the copper-gold mineralization. In addition, uraninite and zircon inclusions may be locally abundant in biotite. Quartz shows undulose extinction, and is associated with biotite in ore samples or constitutes concordant veins within the host rocks.

Hydrothermal alteration appears to be much more important than previously recognized. The spatial distribution of hydrothermal alteration in the Salobo deposit shows that areas affected by intense irons and potassic-metasomatism host most of the iron oxide copper-gold ore.

In general, the massive magnetite associated with the mineralization is the core of the hydrothermal system and is surrounded by less intensely altered rocks. Within the massive magnetite body are small veins and irregular masses of secondary biotite. Garnet is completely replaced by magnetite, forming obvious pseudomorphs. Away from the massive magnetite, the magnetite gradually diminishes, giving way to biotite garnet schist and/or garnet grunerite schist. When not obscured by magnetite, biotite-garnet schist and garnet-grunerite schist are very distinctive and easily logged. Alkali-metasomatism is recognized in the amphibolite rocks of the Salobo deposit. It is expressed by weak sodium with intense superimposed potassium alteration (≤ 4.6 wt% of K2O).

Potassium–felsdpar, biotite and oligoclase are in the main alteration minerals. A significant increase in the FeO content (≤35 wt%) accompanied the potassium alteration in amphibolite and was marked by the replacement of calcic-amphibole (mostly magnesium-hornblende and hastingsite) by iron-magnesium amphibole (cummingtonite), and by formation of biotite and magnetite. The chemistry of the meta-graywackes at the deposit indicates that they also underwent significant iron and potassium alteration. Alteration assemblages are characterized by almandine, garnet, biotite and grunerite, subordinate tourmaline and minor magnetite. The richest ore zone, located in the central part of the deposit, corresponds to the most altered area.

Exploration

The discovery of the Salobo copper deposit occurred during a systematic program of geochemical, geophysical and geological exploration in the Carajás region, initiated by CVRD/DOCEGEO in 1974.

In 1977 a program of detailed geological and geochemical work explored magnetic anomalies existing in the basin of Igarapé Salobo (Salobo stream). Anomalies of up to 2,700 parts per million copper were detected in stream sediments collected from tributaries of Igarapé Salobo. These anomalies lead to the development of detailed work in the area, involving geological, geochemical and geophysical prospecting. In 1978, exploration revealed the presence of copper sulphides associated with magnetic schist and the first phase of several drilling programs was initiated.

The primary method employed in the exploration and evaluation of the Salobo deposit is diamond core drilling, details of which are presented below.

Drilling

The geochemical and geophysical anomalies identified at Salobo were initially tested by nine exploratory drill holes by DOCEGEO in 1978, including a mineralized interval of 140 metres at 0.45 percent copper. A successive drilling campaign (the first of five major campaigns), to follow-up this promising mineralization, was conducted on a 400 metre by 200 metre drill grid, subsequently reduced to 200 metres by 200 metres and then to 200 metres by 100 metres. This initial campaign completed 65 diamond drill holes for 29,322 metres between March, 1978 and May, 1983.

The second campaign (January, 1986 to June, 1987) was jointly undertaken by CVRD/GICOR that reduced the grid to 100 metres by 100 metres in the core of the deposit with further drilling undertaken in the southeast of the deposit from the adit (G-3). This phase completed 9,033 metres of diamond drilling from 60 drill holes.

In 1993, and to accompany an economic feasibility study by SMSA, a third campaign was initiated. The primary objective was to investigate the best probable location in the deposit in which to commence mining and to optimize the first five years of production as well as investigate mineralized continuity at depth. Between July, 1993 and February, 1994 a total of 65 drill holes had been completed for 14,585 metres.

In 1997, the fourth drilling campaign commenced, accounting for 25,491 metres from 88 holes.

The fifth drilling campaign completed 190 drill holes for 66,243 metres in 2002 and a further 2,047 metres in 2003 that brought the grand total for the Salobo deposit to almost 147,000 metres of geological drilling.

By the end of the campaigns in 2003, some areas were drilled a little more densely (50 metres by 50 metres), including the area around the adit.

The surface drilling was initiated with a diameter of HQ and the minimum diameters were BX and BQ. The underground drilling was carried throughout with BX diameter. The drilling system used included the traditional and wireline methods. Down hole surveys were carried with the R-F DDI (reflex fotobor dip and direction pointer), Fotobor DDI and Maxbor units were used to prevent errors in azimuth readings due to the influence of natural magnetic properties within the rocks. Core recoveries of 80% in weathered rock and 90% in fresh rock were achieved by the drilling companies during the campaigns.

The majority of the core recovered is NQ size (47.1 millimetres) with a lesser amount of (Imperial) BQ size (31.5 millimetres).

Sampling and Analysis

Sample Preparation

Core is delivered by the drilling contractor to the core logging/storage area. After the core is photographed and logged, sample intervals are marked; the sample intervals average one metre in mineralized zones and two or four meters in barren zones. Sample lengths may vary depending on geological and lithological/structural criteria (geologic boundaries, lithological/mineralogical changes, faults and shear zones, etc). The core is cut by a diamond saw and one half is submitted for sample preparation and assaying while the other half is kept in the core storage facility for further reference.

Sample Analysis

Sample Receipt and Preparation

Upon receipt of samples, the preparation laboratory personnel referenced (scanned) the bar code label attached to the sample bag. The weight of sample was electronically recorded together with information such as date, time, equipment used and operator name. The scanning process allowed for complete traceability of the sample through the entire laboratory process.

Assay Methodology

The samples (a 5 gram aliquot) were routinely analyzed for copper, silver and iron by atomic absorption spectrometry (“AAS”). Gold was determined by a lead collection fire assay/AAS technique on a 30 gram sample. In the early stages of the exploration program Pd, Pt, Ni, Mo, and U were also analyzed but later were excluded from the analytical package.

Sample Security

All drill core was brought from the drill site at the end of shift, and stored in a purpose built logging and storage facility. Core undergoes a standard logging procedure before being sawn at the adjacent diamond saw building. Mineralized sample boxes are returned to the storage facility where they are kept under lock and key. The core storage and logging facility is kept locked when unoccupied. Unshipped samples are also stored in a secure facility at the same location.

Quality Assurance and Quality Control

The QAQC program implemented for Salobo is complex due the implementation of different schemes of QA over a prolonged period of time.

SGS Lakefield Research Ltd. ("Lakefield") was used for the routine analysis of copper, gold and silver, while Acme analysed for Mo, U, F, S and C. The Gamik laboratory was used as a secondary laboratory to check the results obtained from the primary laboratory (Lakefield and/or Acme). Initially, SMSA allowed the laboratory the responsibility on the insertion of standards, blanks and duplicates samples. Consequently, in the absence of robust QAQC data, and in an attempt to validate the results related to campaigns before 2002, a total of 51,768 of the original 75,577 samples drilled prior to 2002 were re-assayed to corroborate the original results. The re-analysis considered pulps and coarse rejects materials when possible. However, they are not identified separately as repeats or duplicate in order to evaluate precision and sample preparation respectively. Based on the results obtained, Vale applied an adjustment factor to original sample grades.

For the 2002 to 2003 samples, SMSA produced internal standards, but they were only available at the end of drilling program. Because of this, a special lot of 1,500 samples from the 2002 to 2003 drilling program were sent for reanalysis. A total of 76 aliquots were inserted in blind form for both standards B5B and B3E3C3 (Salobo CMR) of the project.

The QC protocol at Salobo operations includes the following control samples:

- In-house standard reference materials inserted at about 2.5 percent frequency.
- Coarse preparation blanks inserted at approximately 2.5 percent frequency.
- Pulp duplicates carried out by the primary laboratory at about five percent frequency.
- External assay checks by the secondary laboratory on up to five percent of randomly selected original pulps analyzed previously by the primary laboratory.

Mineral Reserve and Mineral Resource Estimates

See "Technical Information –Summary of Mineral Reserves and Mineral Resources" for the estimated Mineral Reserves and Mineral Resources (gold only, 25% attributable) for the Salobo Mine as of December 31, 2013.

Mining Operations

The Mineral Reserve at the Salobo Mine is being extracted using conventional open pit mining methods consisting of shovels, trucks and drills as the major mining equipment. Pre-stripping of the site has been completed and production is expected to ramp up to 12 million tonnes per year by 2014 and eventually reach 24 million tonnes per year by 2016.

The mine plan was generated based on the Proven and Probable Mineral Reserves contained in Vale's 2013 resource model. Reserves are reported above a copper equivalent cut-off grade of 0.249 percent.

The ultimate pit was subdivided into seven internal phases targeting the highest grade, lowest cost areas of the ultimate pit first. The Salobo mine life spans approximately 29 years ending in 2042. However, the process plant will continue operations, milling stockpile material, for another 23 years until 2065.

Phasing of the open pit development and application of the cut-off grade strategy allows higher grade ore (above 1.00 percent copper) to be mined in the initial years of the operation. This is followed, from years 2025 to 2033, by the mining of progressively lower grade material averaging 0.48 percent copper. The copper grade improves again during the final phases of pit development, then decreases as production ramps down towards the processing the lower grade stockpile material.

During mining, the ore placed on the stockpiles is classified according to the following grade categories:

- Medium grade ore: 0.60 to 0.85 percent copper equivalent
- Low grade ore: 0.30 to 0.60 percent copper equivalent

Recovery Methods

Mineral reserves at Salobo indicate total reserve grades of approximately 0.71 percent copper and 0.37 grams per tonne gold. Copper occurs primarily as the minerals chalcocite, bornite and chalcopyrite. Gold values are predominantly associated with the copper sulphides. Average levels of magnetite and chlorite are five percent and ten percent respectively. Potential deleterious elements include fluorine at approximately 0.40 percent and uranium at approximately 16 parts per million.

The main lithologies for hosting the copper sulphide mineralisation are magnetite schists (XMT) and biotite schists (BDX). In general, higher copper values are associated with the magnetite schists, containing greater than ten percent magnetite, with values typically greater than 0.6 percent copper. Biotite schists generally contain lower copper values, typically in the range of 0.2 percent-0.6 percent copper. Low grade ore is currently stockpiled.

Phase I of the Salobo plant is designed to process 12 million tonnes per year of ore to produce approximately 100,000 tonnes of copper in a copper-gold concentrate annually. Production commenced in June, 2012. Phase II of the Salobo plant expansion involves doubling the throughput to 24 million tonnes per year with annualized copper in concentrate production rising to approximately 200,000 tonnes. Construction of Phase II is well advanced and is basically a mirror-image of Phase I, i.e. essentially two identical production lines. Production from Phase II is scheduled to start in 2014.

Currently, Phase I is designed to operate 365 days per year, 24 hours per day and at 90 percent availability to process an average 1,522 tonnes per hour.

Overall, for the total reserve copper head grade of 0.71 percent copper, expected recovery was 84.2 percent, and for the total reserve gold head grade of 0.37 grams per tonne, expected recovery was 61.9 percent. Target copper grades in concentrate are 35-42 percent copper with a typical value of 38 percent copper. Target gold grade in concentrate is 17 grams per tonne with an upper limit of 40 grams per tonne.

There are three deleterious elements of potential concern in the copper concentrate, namely fluorine, chlorine and uranium. Of these, fluorine is the most significant. In general, smelters will tend to reject concentrates with high fluorine content due to problems in the smelter's sulphuric acid plants. However, there are smelters that can accept high fluorine contents, although they are few in number. Vale has advised it has secured contracts with four smelters (in Poland, India, Sweden and Germany) which are able to accept concentrates with an anticipated average fluorine content of 1,800 parts per million and a maximum content of 4,000 parts per million.

Apart from the inclusion of high pressure grinding rolls ("HPGR") for tertiary crushing ahead of ball milling, the circuit is very conventional to the copper industry. The use of conventional semi-autogenous grinding ("SAG") milling is generally considered within Vale's operating philosophy but the reasons for the design and selection of the HPGR/Ball Milling circuit are sound and were due mainly to the high magnetite (and copper) content of critical size pebbles that would have been removed with the magnet protecting the pebble crusher and therefore requiring additional processing and the expected variability in ore hardness that would cause variability in SAG mill throughput in a typical SAG mill, ball mill, pebble crusher circuit.

Run-of-mine ore at 2.5 metres top size is hauled in 240-tonne trucks and crushed in a 60 in x 89 in primary gyratory crusher to a product 80 percent passing 152 millimetres. The dump pocket volume capacity is equivalent to the volume of 2.5 trucks. Primary crushed ore is conveyed to a crushed ore stockpile which has a live capacity of approximately 24,800 t and a total capacity of 73,400 tonnes. Coarse ore stockpile reclaim feeders are used to feed onto the primary screen feed conveyor which feeds two operating double-deck vibrating screens. Screen oversize is crushed in two MP-1000 cone crushers (746 kilowatt motors) in a standard closed circuit. The nominal throughput for each crusher is 1,198 tonnes per hour.

Secondary crushed product is then conveyed to the secondary crushed ore stockpile feeding the HPGR units. This stockpile has a total capacity of approximately 171,000 tonnes and a live capacity of about 58,400 tonnes.

Four operating reclaim feeders are then used to reclaim the crushed ore and deliver it to the HPGR circuit via the stockpile reclaim conveyor and silo feed conveyor, equipped with a shuttle head. This delivers ore into one of two concrete silos, providing approximately 20 minutes nominal capacity. A reversible feed belt conveyor and feed belt feeders then feed each of the two HPGR units.

Each HPGR unit has a drum 2.0 metres diameter by 1.5 metres wide. The maximum feed size is 55 millimetres and the product is 80 percent passing 17 millimetres. The crushed HPGR product is discharged as a compressed cake and, via the product collection conveyor, is then screened at eight millimetres aperture and broken up with high pressure water sprays. There are a total of four operating screens. The screen undersize, at 80 percent passing six millimetres, discharges directly into a Ball Mill discharge sump. The screen oversize is recirculated back via the screen oversize collection conveyor to the silo feed conveyor and further HPGR crushing.

Slurry in the Ball Mill discharge sump is pumped to hydrocyclones. Hydrocyclone underflow is fed by gravity to an overflow Ball Mill (7.9 metres diameter x 12.2 metres long) equipped with a 17 MW gearless motor. There are two Ball Mills operating in closed circuit, each with a hydrocyclone cluster, i.e., two production lines. Ball Mill discharge feeds into the discharge sump for recirculation to the hydrocyclones. The design grind is 80 percent passing 105 microns. Hydrocyclone overflow advances to the copper flotation circuit at approximately 42 percent solids by weight. The Ball Mills are designed to operate at a 30-35 percent ball charge using 76 millimetres diameter steel balls and with a recirculating load of approximately 300 percent.

The flotation circuit is of conventional design. Rougher 1 flotation is carried out in two lines (one for each Ball Mill) using two cells, one for each line. The cells are mechanically agitated Outotec cells of 200 cubic metre capacity. The rougher 1 concentrate advances to the cleaner circuit. The rougher 1 flotation tailings advances to the rougher 2 (scavenger) circuit consisting of two lines, each line containing six mechanically agitated 200 cubic metre cells.

Rougher scavenger (rougher 2) tailings gravitate to the TSF. Rougher 2 (scavenger) concentrate advances to the regrind circuit.

Rougher 1 concentrate advances to the cleaner circuit which is divided into cleaner 1, 2 and 3 circuits. Cleaner 1 circuit consists of eight column cells, each six metre diameter x 14 metres height, arranged in two lines of four cells each. The concentrate from the cleaner 1 circuit advances to the cleaner 2 circuit, consisting of four cells, in two lines of two cells each, each column 4.3 metre diameter x 14 metres height. Concentrate from the cleaner 2 circuit advances to the cleaner 3 circuit, consisting of two cells, in two lines of one cell each, each column 4.3 metre diameter x 14 metres height. Cleaner 3 tailings recirculates back to the feed of cleaner 2 and cleaner 2 tailings recirculates back to the feed of cleaner 1.

Cleaner 3 concentrate (final concentrate) advances to the concentrate dewatering circuit.

Cleaner 1 tailings advances to the cleaner-scavenger circuit which consists of ten 200 cubic metres mechanically agitated cells, arranged in two lines of five cells each. Cleaner-scavenger tailings reports to the final tailings with the rougher scavenger tailings.

Cleaner-scavenger concentrate is reground in the regrind circuit together with the rougher 2 (scavenger) concentrate. The regrind circuit consists of four parallel tower mills fitted with 1,120 kilowatt motors and operated in closed circuit (one cluster per mill) with hydrocyclones. The product of the regrinding process is nominally 80 percent passing 21 to 23 microns and advances to the cleaner 1 circuit.

The final concentrate dewatering circuit consists of a 15 metre diameter, high-capacity thickener, producing a pulp at 60 percent solids. The slurry is then transferred into a 1,360 cubic metre stock tank and cyclically pumped into two horizontal frame pressure filters. The filtrate solution returns to the thickener and thickener overflow is pumped to the plant process water tank.

The filtered concentrate has a residual moisture content of about 9.5 percent. It is stockpiled below the filters in a covered concentrate storage area.

Concentrate is reclaimed by front-end loader and loaded into trucks. Each loader bucket (approximately seven tonnes) is sampled and a composite, representative sample for about 125 tonnes of concentrate is taken for assay. The copper concentrate is weighed in the trucks using a static scale and delivered to a rail spur storage area, 85 kilometres away at the town of Parauapebas. The warehouse can hold 16 kilotonnes of concentrate which is reclaimed by front-end loader and loaded into railcars carrying it to the port of Itaqui, in São Luís, about 870 kilometres from Parauapebas. Further sampling is carried out here.

Flotation reagents used include potassium amyl xanthate and sodium dithiophosphate as primary and secondary collectors respectively, poliglycolic alcohol and methyl isobutyl carbinol as frothers, quicklime for pH modification and sodium sulphide for oxidized or easily oxidized copper minerals, e.g. bornite.

The combined flotation circuit tailings (rougher and cleaner–scavenger tailings) flow by gravity from the plant to the tailings deposition area, located directly north of the processing plant. Tailings are dumped from a single-point discharge and create a beach on the south side of the dam. Over the mine life, several phases of dam raising with mine waste will be required to provide the required storage volume. Vertical pumps installed on pontoons pump recycled tailings dam water back to the process plant, accounting for approximately 95 percent of the total process water requirements.

Production Information

The following table summarizes 2013 gold production (100% basis) from the Salobo Mine subsequent to the effective date of the Salobo Report (December 31, 2012):

	Units	**2013**
Tonnage	(tonne)	7,366,344
Gold Grade	(g/t)	0.76
Gold Recovery	(%)	65%
Produced Gold	(oz)	116,590
Payable Gold	(oz)	111,270

DIVIDENDS

On March 3, 2011, the Company announced that its Board of Directors had approved an inaugural quarterly dividend of $0.03 per Common Share, which was paid for each of the first three quarters of 2011. A fourth quarterly dividend of $0.09 per share was paid to the holders of record of the Common Shares as of the close of business on November 23, 2011. The total of dividends paid during 2011 was $0.18 per Common Share.

In November 2011, the Company announced that it had adopted a dividend policy that linked quarterly dividend payments to operating cash flows in the prior quarter, such that the quarterly dividend per Common Share was to be equal to 20% of the cash generated by operating activities in the previous quarter divided by the Company's outstanding Common Shares at the time the dividend is approved, all rounded to the nearest cent.

A quarterly dividend of $0.09 per share was paid to shareholders for each of the first two quarters of 2012. A third quarterly dividend of $0.10 per share was paid to the holders of record of the Common Shares as of the close of business on August 30, 2012. A fourth quarterly dividend of $0.07 per share was paid to holders of record of the Common Shares as of the close of business on November 21, 2012. The total of dividends paid during 2012 was $0.35 per Common Share.

On May 10, 2013 the Company announced that it had amended its dividend policy so that the quarterly dividend per common share was to be equal to 20% of the average cash generated by operating activities in the previous four quarters divided by the Company's outstanding common shares at the time the dividend is approved, all rounded to the nearest cent. The declaration, timing, amount and payment of dividends remains at the discretion of the Board of Directors and will depend on the Company's cash requirements, future prospects and other factors deemed relevant by the Board of Directors.

A quarterly dividend of $0.14 per share was paid to shareholders for the first quarter of 2013. In order to reflect the amendment to the Company's dividend policy, and as a transitionary measure, the second quarterly dividend paid to shareholders of $0.12 per share was calculated using the average cash generated by operating activities for the trailing two quarters (fourth quarter of 2012 and first quarter of 2013). A third quarterly dividend of $0.10 per share was paid to holders of record of the Common Shares as of the close of business on August 30, 2013 and was calculated using the average cash generated by operating activities for the trailing three quarters (fourth quarter 2012, first quarter 2013 and second quarter 2013). A fourth quarterly dividend of $0.09 per share was paid to holders of record of the Common Shares as of the close of business on November 27, 2013. The total of dividends paid during 2013 was $0.45 per Common Share.

Effective March 20, 2014, the Board has approved the adoption of a Dividend Reinvestment Plan. It is intended that the Dividend Reinvestment Plan will be effective commencing with the second dividend of 2014 which will be paid after the announcement of the first quarter 2014 earnings results. The Dividend Reinvestment Plan remains subject to regulatory approval.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preference shares (the "Preference Shares"), issuable in series. As of March 26, 2014, 357,407,616 Common Shares and no Preference Shares are issued and outstanding.

The Company had previously issued U.S. dollar common share purchase warrants (the "U.S. Dollar Warrants"), which were exercisable to acquire one Common Share at a price of $20.00 until September 5, 2013. As of September 5, 2013, the warrants expired and are no longer exercisable. Prior to expiry, 2,685,719 U.S. Dollar Warrants were exercised for total proceeds of $53.7 million to the Company.

The Company has issued common share purchase warrants to Vale (the "Vale Warrants"), which are exercisable to acquire one Common Share at a price of $65.00 until February 28, 2023. The exercise price and the number of Common Shares issuable upon exercise are both subject to adjustment in certain circumstances. No fractional Common Shares will be issuable upon the exercise of any Vale Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Vale Warrants will not have any voting rights or any other rights which a holder of Common Shares would have. The Vale Warrants are authorized to be issued under a warrant indenture entered into between the Company and Canadian Stock Transfer Company dated February 28, 2013. As of March 26, 2014, 10,000,000 Vale Warrants were issued and outstanding.

Common Shares

Holders of Common Shares are entitled to receive notice of any meetings of shareholders of the Company, to attend and to cast one vote per Common Share at all such meetings. Holders of Common Shares do not have cumulative voting rights with respect to the election of directors and, accordingly, holders of a majority of the Common Shares entitled to vote in any election of directors may elect all directors standing for election. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Company's Board of Directors at its discretion from funds legally available therefor and upon the liquidation, dissolution or winding up of the Company are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares with respect to dividends or liquidation. There are currently no other series or class of shares which rank senior in priority to the Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Preference Shares

The Preference Shares may, at any time or from time to time, be issued in one or more series. The Company's Board of Directors shall fix before issue, the number of, the consideration per share of, the designation of, and the provisions attaching to the shares of each series. Except as required by law or as otherwise determined by the Company's Board of Directors in respect of a series of shares, the holder of a Preference Share shall not be entitled to vote at meetings of shareholders. The Preference Shares of each series rank on a priority with the Preference Shares of every other series and are entitled to preference over the Common Shares and any other shares ranking subordinate to the Preference Shares with respect to priority and payment of dividends and distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

TRADING PRICE AND VOLUME

Common Shares

The Common Shares are listed and posted for trading on the TSX and the NYSE under the symbol “SLW”. The following table sets forth information relating to the trading of the Common Shares on the TSX for the months indicated.

Month	High (C$)	Low (C$)	Volume
January 2013	36.78	34.16	19,922,041
February 2013	37.13	32.65	26,578,236
March 2013	32.63	30.94	23,688,067
April 2013	31.32	22.62	39,333,823
May 2013	25.07	22.40	29,299,891
June 2013	24.87	18.59	29,615,302
July 2013	24.30	19.95	28,934,434
August 2013	29.89	21.71	31,353,248
September 2013	28.17	24.83	32,654,725
October 2013	25.70	22.90	29,085,863
November 2013	23.40	21.53	29,970,707
December 2013	22.83	20.65	25,682,432

The price of the Common Shares as quoted by the TSX at the close of business on December 31, 2013 was C$21.45 and on March 26, 2014 was C$24.79.

U.S. Dollar Warrants

The U.S. Dollar Warrants were listed and posted for trading on the TSX under the symbol “SLW.WT.U”. The following table sets forth information relating to the trading of the U.S. Dollar Warrants on the TSX for the months indicated.

Month	High ($)	Low ($)	Volume
January 2013	17.25	13.52	155,218
February 2013	17.26	11.60	108,873
March 2013	12.04	10.15	83,363
April 2013	10.80	3.39	469,958
May 2013	5.49	3.16	148,541
June 2013	5.00	1.00	191,329
July 2013	3.85	1.07	184,340
August 2013	9.01	1.51	799,364
September 2013 (1)	7.20	5.65	198,235

(1) The U.S. Dollar Warrants expired September 5, 2013 and as a result, no trading was conducted after that date. The price of the U.S. Dollar Warrants as quoted by the TSX at the close of business on September 5, 2013 (the last day of trading for the U.S. Dollar Warrants) was $5.65.

DIRECTORS AND OFFICERS

The following table sets forth the name, province/state and country of residence, position(s) held with the Company and principal occupation of each person who is a director and/or an executive officer of the Company as of the date of this annual information form.

Name, Province/State and Country of Residence	Position(s) with the Company	Principal Occupation
Douglas M. Holtby British Columbia, Canada	Chairman of the Board and Director since April 2006 (4)	Corporate Director
Lawrence I. Bell (2)(3) British Columbia, Canada	Director since April 2006 (4)	Corporate Director
George L. Brack (1)(2) British Columbia, Canada	Director since November 2009 (4)	Corporate Director
John A. Brough (1)(3) Ontario, Canada	Director since October 2004 (4)	Corporate Director
R. Peter Gillin (1)(2) Ontario, Canada	Director since October 2004 (4)	Corporate Director
Chantal Gosselin Ontario, Canada	Director since November 2013 (4)	Corporate Director
Eduardo Luna (2) Mexico City, Mexico	Director since December 2004 (4)	Corporate Director
Wade D. Nesmith (1)(3) British Columbia, Canada	Director since October 2004 (4)	Corporate Director
Randy V. J. Smallwood British Columbia, Canada	President, Chief Executive Officer and Director Director since May 2011 (4)	President and Chief Executive Officer of Silver Wheaton
Gary D. Brown British Columbia, Canada	Senior Vice President and Chief Financial Officer	Senior Vice President and Chief Financial Officer of Silver Wheaton
Curt D. Bernardi British Columbia, Canada	Senior Vice President, Legal and Corporate Secretary	Senior Vice President, Legal and Corporate Secretary of Silver Wheaton
Haytham H. Hodaly British Columbia, Canada	Senior Vice President, Corporate Development	Senior Vice President, Corporate Development of Silver Wheaton

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(1) Member of the Audit Committee.
(2) Member of the Human Resources Committee.
(3) Member of the Governance and Nominating Committee.
(4) Directors are elected at each annual meeting of Silver Wheaton's shareholders and serve as such until the next annual meeting or until their successors are elected or appointed. Ms. Gosselin was appointed to the Board November 8, 2013 and did not serve on any committees in 2013.

The principal occupations, businesses or employments of each of the Company's directors and executive officers within the past five years are disclosed in the brief biographies set forth below.

Douglas M. Holtby – Chairman of the Board and Director. Mr. Holtby is currently the Vice Chairman of the Board and Lead Director of Goldcorp, a director of BC Cancer Foundation and President and Chief Executive Officer of Holtby Capital Corporation, a private investment company. From June 1989 to June 1996, Mr. Holtby was President, Chief Executive Officer and a director of WIC Western International Communications Ltd., from 1989 to 1996, he was Chairman of Canadian Satellite Communications Inc., from 1998 to 1999, he was a Trustee of ROB.TV and CKVU, from 1974 to 1989, he was President of Allarcom Limited and, from 1982 to 1989, he was President of Allarcom Pay Television Limited. Mr. Holtby is a Fellow Chartered Accountant, and a graduate of the Institute of Corporate Directors - Director Education Program at the University of Toronto, Rotman School of Management.

Lawrence I. Bell – Director. Mr. Bell served as the non-executive Chairman of British Columbia Hydro and Power Authority until December 2007. From August 2001 to November 2003, Mr. Bell was Chairman and Chief Executive Officer of British Columbia Hydro and Power Authority and, from 1987 to 1991, he was Chairman and Chief Executive Officer of British Columbia Hydro and Power Authority. He is also a director of Capstone and Matrix Asset Management Inc. ("Matrix") and is former Chairman of the University of British Columbia Board of Directors and former Chairman of Canada Line (Rapid Transit) Project and a former director of Goldcorp from 2005 to May 2013. Mr. Bell will be resigning as a director of Matrix effective April 1, 2014. Prior to these positions, Mr. Bell was Chairman and President of the Westar Group and Chief Executive Officer of Vancouver City Savings Credit Union. In the province's public sector, Mr. Bell has served as Deputy Minister of Finance and Secretary to the Treasury Board. He holds a Bachelor of Arts degree and an Honorary Ph.D. from the University of British Columbia. He also holds a Masters of Arts degree from San José State University, is a Fellow of the Institute of Corporate Directors and holds the Order of British Columbia.

George L. Brack – Director. Mr. Brack is the Chairman of Capstone, Alexco and Geologix Explorations Inc. and serves as a director of Newstrike Capital Inc. Mr. Brack's 28-year career in the mining industry has focused on investment banking and corporate development, specifically identifying, evaluating and executing strategic mergers and acquisitions, and the provision of equity financing. Until January 2009, Mr. Brack acted as the Managing Director and Industry Head, Mining Group, of Scotia Capital. Prior to joining Scotia Capital in 2006, Mr. Brack spent seven years as President of Macquarie North America Ltd., an investment banking firm specializing in merger and acquisition advice. Previous to that, Mr. Brack was Vice President, Corporate Development at Placer Dome Inc., was Vice President of the investment banking group at CIBC Wood Gundy, and worked in Rio Algom's Corporate Development department. Mr. Brack holds an MBA from York University, a BASc in Geological Engineering from the University of Toronto and the CFA designation.

John A. Brough – Director. Mr. Brough had been President of both Torwest, Inc. and Wittington Properties Limited, real estate development companies, from 1998 to December 31, 2007, upon his retirement. Prior thereto, from 1996 to 1998, Mr. Brough was Executive Vice President and Chief Financial Officer of iSTAR Internet, Inc. Prior thereto, from 1974 to 1996, he held a number of positions with Markborough Properties, Inc., his final position being Senior Vice President and Chief Financial Officer which position he held from 1986 to 1996. Mr. Brough is an executive with over 40 years of experience in the real estate industry. He is currently a director and Chairman of the Audit and Risk Committee of Kinross Gold Corporation, a director and Chairman of the Audit Committee and Lead Director of First National Financial Corporation, and a director and Chairman of the Audit Committee of Canadian Real Estate Investment Trust. He holds a Bachelor of Arts degree (Economics) from the University of Toronto and is a Chartered Professional Accountant and a Chartered Accountant. He is also a graduate of the Institute of Corporate Directors – Director Education Program at the University of Toronto, Rotman School of Management. Mr. Brough is a member of the Institute of Corporate Directors and the Ontario and Canadian Institutes of Chartered Accountants.

R. Peter Gillin – Director. Mr. Gillin was Chairman and Chief Executive Officer of Tahera Diamond Corporation, a diamond exploration, development and production company, from October 2003 to September 2008 and Chief Restructuring Officer until December 2008. Since 2004, Mr. Gillin has been a member of the Independent Review Committee of TD Asset Management Inc. and, from December 2005 to September 2012, a director of Trillium Health Care Products Inc. (a private company). Mr. Gillin was appointed a director of Sherritt International Corporation January 1, 2010 and Dundee Precious Metals Inc. in December 2009. From April 2008 to March 2009, Mr. Gillin was a director of HudBay Minerals Inc. From November 2002 to May 2003, Mr. Gillin was President and Chief Executive Officer of Zemex Corporation, an industrial minerals producer, and had been a director of that company since 1999. From 1996 to 2002, Mr. Gillin was Vice Chairman and a director of N.M. Rothschild & Sons Canada Limited, an investment bank, and, from 2001 to 2002, was Acting Chief Executive Officer. He holds a HBA degree from the Richard Ivey School of Business at the University of Western Ontario and is a Chartered Financial Analyst. He is also a graduate of the Institute of Corporate Directors – Director Education Program at the University of Toronto, Rotman School of Management and has earned the designation of ICD.D. from the Institute of Corporate Directors.

Chantal Gosselin – Director. Ms. Gosselin brings over 20 years of experience in the financial services and mining industry. Most recently, Ms. Gosselin served as Vice President and Portfolio Manager at Goodman Investment Counsel. Prior to this, she was a senior mining analyst at Sun Valley Gold LLP, a precious metals focused investment hedge fund. Ms. Gosselin was formerly a senior mining analyst and partner of Genuity Capital Markets. Prior to joining Genuity Capital Markets, she held positions as a mining analyst with Haywood Securities Inc. and Dundee Securities Corporation. Prior to entering the financial industry, Ms. Gosselin held a variety of management positions in the mining industry at Dynatec Mining Corporation, Aur Resources Inc. and Pan American Silver Corp. Ms. Gosselin holds a Bachelor of Science in Mine Engineering from Laval University, an MBA in business administration from Concordia University and a Chartered Investment Manager Designation.

Eduardo Luna – Director. Mr. Luna is currently Director, President and CEO of Rochester Resources Ltd., Advisor and Director of Primero and advisor of Mercator Minerals Ltd. Mr. Luna was Chairman of the Company from October 2004 to May 2009 (and was Interim Chief Executive Officer of the Company from October 2004 to April 2006), Executive Vice President of Wheaton River from June 2002 to April 2005, Executive Vice President of Goldcorp from March 2005 to September 2007 and President of Luismin, S.A. de C.V. from 1991 to 2007. He holds a degree in Advanced Management from Harvard University, an MBA from Instituto Tecnologico de Estudios Superiores de Monterrey and a Bachelor of Science in Mining Engineering from Universidad de Guanajuato. He held various executive positions with Minera Autlan for seven years and with Industrias Peñoles for five years. He is the former President of the Mexican Mining Chamber and the former President of the Silver Institute. He serves as Chairman of the Advisory Board of the Faculty of Mines at the University of Guanajuato and as a board member of the Mineral Resources Council in Mexico.

Wade D. Nesmith – Director. Mr. Nesmith is currently Chairman of Primero Mining Corp. and from 2004 to 2009 was associate counsel with Lang Michener LLP (now McMillan LLP), a law firm where he previously practiced as a partner from 1993 to 1998. Mr. Nesmith has served on the boards of, among others, Polymer Group, Inc., Broadpoint Securites, Inc., and Westport Innovations, where he was also a senior officer of the Company. He also served as the Executive Director (then Superintendent of Brokers) for the British Columbia Securities Commission. Mr. Nesmith received his LLB from Osgoode Hall Law School in 1977.

Randy V. J. Smallwood – President, Chief Executive Officer and Director. Mr. Smallwood holds a geological engineering degree from the University of British Columbia, and is one of the founding members of Silver Wheaton. In 2007, he joined Silver Wheaton full time as Executive Vice President of Corporate Development, primarily focusing on growing the Company through the evaluation and acquisition of silver stream opportunities. In January 2010 he was appointed President, and in April 2011 he was appointed Silver Wheaton's Chief Executive Officer. Mr. Smallwood originally started as an exploration geologist with Wheaton River Minerals Ltd., and in 2001 was promoted to Director of Project Development, his role through its 2005 merger with Goldcorp. Before joining the original Wheaton River group in 1993, Mr. Smallwood also worked with Homestake Mining Company, Teck Corp. and Westmin Resources. Mr. Smallwood was an instrumental part of the team that built Wheaton River / Goldcorp into one of the largest, and more importantly most profitable gold companies in the world, and he is now focused on continuing to add to the impressive growth profile of Silver Wheaton.

Gary D. Brown – Senior Vice President and Chief Financial Officer. Mr. Brown is currently the Senior Vice President and Chief Financial Officer of Silver Wheaton having joined the Company in June 2008. Prior to Silver Wheaton, he was the Chief Financial Officer of TIR Systems Ltd. from September 2005 to July 2007. He has also held senior finance roles with CAE Inc., Westcoast Energy Inc., and Creo Inc. Mr. Brown brings almost 22 years of experience as a finance professional and holds professional designations as a Chartered Accountant and a Chartered Financial Analyst as well as having earned a Masters Degree in Accounting from the University of Waterloo. Mr. Brown has also been a director of Redzone Resources Ltd. since 2012.

Curt D. Bernardi – Senior Vice President, Legal and Corporate Secretary. Mr. Bernardi joined the Company in 2008 and has been practicing law since his call to the British Columbia bar in 1994. He worked for the law firm of Blake, Cassels & Graydon in the areas of corporate finance, mergers and acquisitions and general corporate law until leaving to join Westcoast Energy in 1998. Following the acquisition of Westcoast Energy by Duke Energy in 2002, Mr. Bernardi continued to work for Duke Energy Gas Transmission as in-house legal counsel, working primarily on reorganizations, mergers and acquisitions, joint ventures and general corporate/commercial work. In 2005, Mr. Bernardi joined Union Gas as their Director, Legal Affairs and was responsible for legal matters affecting Union Gas. He obtained his Bachelor of Commerce from the University of British Columbia and his Bachelor of Law from the University of Toronto.

Haytham H. Hodaly– Senior Vice President, Corporate Development. Mr. Hodaly joined Silver Wheaton in 2012, bringing with him over 16 years of experience in the North American securities industry, most recently as Director and Mining Analyst, Global Mining Research, at RBC Capital Markets. In this role, he was responsible for providing, to a wide range of institutional clients around the globe, up-to-date and insightful research coverage of North American-listed precious metals companies. Prior to this, Mr. Hodaly held the position of Co-Director of Research and Senior Mining Analyst at Salman Partners Inc., in addition to holding the titles of Vice President and Director of the firm. During his tenure, he helped to establish Salman Partners Inc. as a leading independent, resource-focused and research-driven investment dealer. Mr. Hodaly is an engineer with a B.A.Sc. in Mining and Mineral Processing Engineering and a Masters of Engineering, specializing in Mineral Economics.

As at December 31, 2013, the directors and executive officers of Silver Wheaton, as a group, beneficially owned, directly and indirectly, or exercised control or direction over 605,521 Common Shares, representing less than one percent of the total number of Common Shares outstanding before giving effect to the exercise of options or warrants to purchase Common Shares held by such directors and executive officers. The statement as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the directors and executive officers of Silver Wheaton as a group is based upon information furnished by the directors and executive officers.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that: (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, other than: (a) Mr. Brough who is a director of a mining company that was subject to a management cease trade order against the directors and officers of the mining company from April 2005 to February 2006 in connection with such company's failure to file audited financial statements for the year ended December 31, 2004. The missed filings resulted from questions raised by the United States Securities and Exchange Commission (the "SEC") about certain accounting practices related to the accounting for goodwill. When the SEC accepted the mining company's proposed treatment, the mining company made its filings, and the cease trade orders were revoked; and (b) Mr. Gillin who was a director of, and Chairman and Chief Executive Officer of Tahera Diamond Corporation ("Tahera") from October 2003 to December 2008, a company that filed for protection under the *Companies' Creditors Arrangement Act* (Canada) ("CCAA") with the Ontario Superior Court of Justice on January 16, 2008. As a consequence of its financial difficulties, Tahera failed to file financial statements for the year ended December 31, 2007 and subsequent financial periods. As a result, Tahera was delisted from the TSX in November 2009 and issuer cease trade orders were issued in 2010 by the securities regulatory authorities of Ontario, Quebec, Alberta and British Columbia, which orders have not been revoked. Tahera subsequently sold its tax assets to Ag Growth International and certain properties, including the Jericho diamond mine, to Shear Minerals Ltd., and the monitoring process under CCAA concluded by order of the Superior Court of Justice in September, 2010.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, other than: (a) Mr. Nesmith who was a director of an automotive company which applied for Chapter 11 bankruptcy protection in December 2004 and emerged from Chapter 11 bankruptcy protection in March 2005; and (b) Mr. Gillin who was a director of, and Chairman and Chief Executive Officer of Tahera from October 2003 to December 2008, a company that filed for protection under the CCAA with the Ontario Superior Court of Justice on January 16, 2008. Tahera subsequently sold its tax assets to Ag Growth International and certain properties, including the Jericho diamond mine, to Shear Minerals Ltd., and the monitoring process under CCAA concluded by order of the Superior Court of Justice in September, 2010.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially control of the Company, has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

To the best of Silver Wheaton's knowledge, and other than as disclosed in this annual information form, there are no known existing or potential material conflicts of interest between Silver Wheaton and any director or officer of Silver Wheaton, except that certain of the directors and officers serve as directors and officers of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of Silver Wheaton and their duties as a director or officer of such other companies. Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration, development and mining operations and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company and its shareholders. In addition, each of the directors is required to declare and refrain from attending the portion of the meeting dedicated to discussing any matter in which such directors may have a conflict of interest or voting on such matter in accordance with the procedures set forth in the *Business Corporations Act* (Ontario) and other applicable laws. See "Interest of Management and Others in Material Transactions".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below and elsewhere in this annual information form, since January 1, 2011, no director, executive officer or 10% shareholder of the Company or any associate or affiliate of any such person or company, has or had any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries, except as follows:

(1) Mr. Holtby is a director of Goldcorp, which is the owner of the Peñasquito Mine and the Los Filos Mine, and was the owner of the San Dimas Mines until August 6, 2010, and until May 2013, Mr. Bell was also a director of Goldcorp;

(2) Mr. Nesmith is a director of Primero and holds a significant equity position in Primero, which is the owner of the San Dimas Mines, and until March 15, 2012, Mr. Nesmith is the Chairman of the Board of Directors of Primero; and

(3) Mr. Luna is a director of Primero and holds a significant equity position in Primero, which is the owner of the San Dimas Mines, and until November 30, 2011, Mr. Luna was the Executive Vice President and President, Mexico.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is CST Trust Company ("CST") at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts entered into by the Company as of the date of this annual information form or before such time that are still in effect, other than in the ordinary course of business, are as follows:

1. The $1 billion revolving credit facility dated as of February 28, 2013, between the Company and the lenders and the $1.0 billion non-revolving term loan dated as of May 28, 2013 between the Company and the lenders.

Each of such contracts is available on SEDAR at www.sedar.com under the Company's profile.

INTERESTS OF EXPERTS

The scientific and technical information for the Company's mineral projects on a property material to the Company contained in this annual information form, other than for the Salobo Mine, was sourced by the Company from the following SEDAR (www.sedar.com) filed documents:

a. Peñasquito Mine – Goldcorp annual information form filed on March 31, 2014;
b. San Dimas Mines – Primero annual information form filed on March 31, 2014; and
c. Pascua-Lama Project – Barrick annual information form filed on March 31, 2014.

A summary of the information sourced from the annual information forms of Primero, Goldcorp and Barrick is contained in this annual information form under "Technical Information – Further Disclosure Regarding Mineral Projects on Material Properties –San Dimas Mines, Mexico, – Peñasquito Mine, Mexico, – Pascua-Lama Project, Border of Chile and Argentina", respectively. Neil Burns, M.Sc., P.Geo., Vice President, Technical Services and Samuel Mah, M.A.Sc., P.Eng., Senior Director, Project Evaluations, are the qualified persons as defined by NI 43-101 in connection with the Mineral Reserve and Mineral Resource estimates and the scientific and technical information for the San Dimas Mines, the Peñasquito Mine and the Pascua-Lama Project contained in this annual information form.

Christopher Jacobs, CEng MIMMM, Vice President and Mining Economist, Micon International Ltd., James Turner, BSc (Hons) MSc CEng MIMMM, Senior Mineral Process Engineer, Micon International Ltd., Barnard Foo, P. Eng., M. Eng., MBA, Senior Mining Engineer, Micon International Ltd. and Jason Ché Osmond, FGS, C.Geol, EurGeol, Senior Geologist, Micon International Ltd. prepared a technical report in accordance with NI 43-101 entitled "Technical Report on the Mineral Reserves and Mineral Resources of the Salobo Copper-Gold Mine Carajás, Pará State, Brazil" dated March 19, 2013 and have reviewed the disclosure concerning the Salobo Mine contained in this annual information form. A copy of the Salobo Report is available under the Company's profile on SEDAR at www.sedar.com and a summary of the Salobo Report is contained in this annual information form under the heading "Description of the Business – Salobo Mine, Brazil".

The aforementioned firms or persons held no securities of the Company or of any associate or affiliate of the Company when they prepared the reports, the mineral reserve estimates or the mineral resource estimates referred to above, or following the preparation of such reports or estimates and did not receive any direct or indirect interest in any securities of the Company or of any associate or affiliate of the Company in connection with the preparation of such reports or estimates, other than Neil Burns and Samuel Mah, who together hold less than 1% of the Common Shares. None of the aforementioned persons are currently expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company, other than Neil Burns and Samuel Mah who are employees of the Company.

Deloitte LLP is the auditor of the Company and is independent of the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of British Columbia.

AUDIT COMMITTEE

The Company's Audit Committee is responsible for monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The committee is also responsible for reviewing the Company's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full Board of Directors of the Company. The committee also has oversight responsibility for significant business, political, financial and control risks that the Company is exposed to, including a review of management's assessment of the likelihood and severity of those risks and any mitigation steps taken.

The Audit Committee's charter sets out its responsibilities and duties, qualifications for membership, procedures for committee member removal and appointment and reporting to the Company's Board of Directors. A copy of the charter is attached hereto as Schedule "A".

The current members of the Company's Audit Committee are John A. Brough (Chairman), George L. Brack, R. Peter Gillin and Wade D. Nesmith. Each of Messrs. Brough, Brack, Gillin and Nesmith are independent and financially literate within the meaning of National Instrument 52-110 *Audit Committees* ("NI 52-110"). In addition to being independent directors as described above, all members of the Company's Audit Committee must meet an additional "independence" test under NI 52-110 in that their directors' fees are the only compensation they, or their firms, receive from the Company and that they are not affiliated with the Company.

The Audit Committee met four times in 2013. Each of Messrs. Brough, Gillin, Brack and Nesmith were present at all four meetings.

Relevant Education and Experience

See "Directors and Officers" for a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member.

Pre-Approval Policies and Procedures

The Audit Committee's charter sets out responsibilities regarding the provision of non-audit services by the Company's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted audit and audit-related services.

External Auditor Service Fees

Deloitte LLP, Independent Registered Public Accounting Firm, were the auditors of the Company in 2013. Fees billed by Deloitte LLP in respect of services in 2012 and 2013 are detailed below:

	2012 (1) ($)	**2013 (1) ($)**
Audit Fees (2)	512,491	587,008
Audit-Related Fees (3)	5,298	121,225
Tax Fees (4)	141,233	77,096
All Other Fees (5)	86,007	30,754
TOTAL	745,029	816,083

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(1) Fees are paid in Canadian dollars and converted to United States dollars for reporting purposes in this table at the exchange rate of C$1.00 = US$0.9402 for the financial year ended December 31, 2013 and at the exchange rate of C$1.00 = US$1.0051 for the financial year ended December 31, 2012.

(2) Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual financial statements or services provided in connection with statutory and regulatory filings or engagements.

(3) Audit-related fees were paid for translation services rendered by the auditors in connection with the audit of the Company's annual financial statements.

(4) Tax fees were paid for tax compliance and advisory services.

(5) Other Fees were paid for Canadian Public Accountability Board fees, preparation of tax returns for VAT tax and the Barbados subsidiary and accounting advisory services.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans will be contained in the management information circular of the Company to be prepared in connection with the Company's annual meeting of shareholders scheduled to be held on May 9, 2014 which will be available on SEDAR at www.sedar.com and EDGAR at www.sec.gov. Additional financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2013.

SCHEDULE "A"
SILVER WHEATON CORP.
AUDIT COMMITTEE CHARTER

I. PURPOSE

The Audit Committee is a committee of the Board of Directors (the "Board") of Silver Wheaton Corp. ("Silver Wheaton" or the "Company"). The primary function of the Audit Committee is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of the Company and the investment community. The external auditors will report directly to the Audit Committee. The Audit Committee's primary duties and responsibilities are:

A. overseeing the integrity of the Company's financial statements and reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and other relevant documents;

B. assisting the Board in oversight of the Company's compliance with legal and regulatory requirements;

C. recommending the appointment and reviewing and appraising the audit efforts of the Company's independent auditor, overseeing the non-audit services provided by the independent auditor, overseeing the independent auditor's qualifications and independence and providing an open avenue of communication among the independent auditor, financial and senior management and the Board of Directors;

D. assisting the Board in oversight of the performance of the Company's internal audit function;

E. serving as an independent and objective party to oversee and monitor the Company's financial reporting process and internal controls, the Company's processes to manage business and financial risk, and its compliance with legal, tax, ethical and regulatory requirements;

F. preparing Audit Committee report(s) as required by applicable regulators; and

G. encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

II. COMPOSITION AND MEETINGS

A. The Committee shall operate under the guidelines applicable to all Board committees, which are located in Tab A-6, Board Guidelines.

B. The Audit Committee shall be comprised of at least three directors, all of whom are "independent" as such term is defined in the Board Guidelines (Tab A-8, Appendix), and will satisfy such other applicable criteria for independence as may be contained in the laws, rules, regulations and listing requirements to which the Company is subject.

C. In addition, unless otherwise authorized by the Board, no director shall be qualified to be a member of the Audit Committee if such director (i) is an “affiliated person”, as defined in Appendix I, or (ii) receives (or his/her immediate family member or the entity for which such director is a director, member, partner or principal and which provides consulting, legal, investment banking, financial or other similar services to the Company), directly or indirectly, any consulting, advisory, or other compensation from the Company other than compensation for serving in his or her capacity as member of the Board and as a member of Board committees.

D. All members shall, to the satisfaction of the Board of Directors, be “financially literate” as defined in Appendix I, and at least one member shall have accounting or related financial management expertise to qualify as a “financial expert” as defined in Appendix I, and will satisfy such other applicable criteria for financial expertise as may be contained in the laws, rules, regulations and listing requirements to which the Company is subject.

E. If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board’s determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Company’s audit committee and ensure that such determination is disclosed.

F. The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within 45 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A and shall meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related MD&A prior to their publishing.

G. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and independent auditor of the Company.

H. As part of its job to foster open communication, the Committee should meet at least quarterly with management and the independent auditor in in-camera sessions, and as determined in the discretion of the Committee with the head of internal audit, to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chair should meet with the independent auditor and management quarterly to review the Company’s financial statements.

I. Each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

A. Create an agenda for the ensuing year.

B. Review and update this Charter at least annually, as conditions dictate.

C. Describe briefly in the Company's Management Information Circular and/or the Company's Annual Information Form the Committee's composition and responsibilities and how they were discharged.

D. **Documents/Reports Review**

i) Review with management and the independent auditor, the Company's interim and annual financial statements, management discussion and analysis, earnings releases and any other financial information to be publicly disclosed including any certification, report, opinion, or review rendered by the independent auditor for the purpose of recommending their approval to the Board prior to their filing, issue or publication. The Chair of the Committee may represent the entire Committee for purposes of this review in circumstances where time does not allow the full Committee to be available.

ii) Review analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting principles methods on the financial statements.

iii) Review the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company.

iv) Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Audit Committee.

v) Review expenses of the Board Chair and CEO annually.

vi) Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the issuer's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

E. **Independent Auditor**

i) Recommend to the Board and approve the selection of the independent auditor, consider the independence and effectiveness and approve the fees and other compensation to be paid to the independent auditor.

ii) Review and approve the independent auditor's audit plan and engagement letter and discuss and approve the audit scope and approach, staffing, locations, reliance upon management and internal audit and general audit approach.

iii) Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.

iv) Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Company to determine their independence and report to the Board of Directors.

v) Review and approve requests for any non-audit services to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees. Pre-approval of non-audit services is satisfied if:

   a) The aggregate amount of non-audit services not pre-approved expected to constitute no more than 5% of total fees paid by issuer and subsidiaries to external auditor during fiscal year in which the services are provided;

   b) the Company or a subsidiary did not recognize services as non-audit at the time of the engagement; and

   c) the services are promptly brought to Committee's attention and approved prior to completion of the audit.

vi) Ensure disclosure of any specific policies or procedures adopted by the Committee to satisfy pre-approval requirements for non-audit services by the independent auditor.

vii) Review the relationship of non-audit fees to audit fees paid to the independent auditor to ensure that auditor independence is maintained.

viii) Ensure that both the audit and non-audit fees are disclosed to shareholders by category.

ix) Review the performance of the independent auditor and approve any proposed discharge and replacement of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.

x) At least annually, consult with the independent auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.

xi) Arrange for the independent auditor to be available to the Committee and the full Board as needed. Ensure that the auditors report directly to the Committee and are made accountable to the Board and the Committee, as representatives of the shareholders to whom the auditors are ultimately responsible.

xii) Oversee the work of the independent auditor undertaken for the purpose of preparing or issuing an audit report or performing other audit, review or attest services.

xiii) Ensure that the independent auditor is prohibited from providing the following non-audit services and determining which other non-audit services the independent auditor is prohibited from providing:

a) bookkeeping or other services related to the accounting records or financial statements of the Company;

b) financial information systems design and implementation;

c) appraisal or valuation services, fairness opinions, or contribution-in- kind reports;

d) actuarial services;

e) internal audit outsourcing services;

f) management functions or human resources;

g) broker or dealer, investment adviser or investment banking services;

h) legal services and expert services unrelated to the audit; and

i) any other services which the Public Company Accounting Oversight Board determines to be impermissible.

xiv) Approve any permissible non-audit engagements of the independent auditor, in accordance with applicable legislation.

F. **Internal Auditor**

i) Review the effectiveness and independence of the internal auditor function and ensure there are no unjustified restrictions or limitations on the functioning of the internal auditor;

ii) Review and approve the scope of the proposed internal audit plan and ensure it addresses key areas of risk;

iii) Periodically review:

a) progress on the internal audit plan, including any significant changes to it;

b) significant internal audit findings, including issues relating to the adequacy of internal control over financial reporting;

c) any significant internal fraud issues; and

iv) Ensure the internal audit's significant findings and recommendations are received, discussed and appropriately acted upon by the Committee and management.

G. **Financial Reporting Processes**

i) Periodically review the adequacy and effectiveness of the company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls.

ii) Understand the scope of the independent auditor's examination and report on the Company's assessment of internal control over financial reporting and review and discuss significant findings and recommendations, together with management's responses.

iii) Consider the independent auditor's judgments about the quality, appropriateness and acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.

iv) Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

H. **Process Improvement**

i) Discuss with the independent auditor (i) the auditor's internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues.

ii) Reviewing and approving hiring policies for employees or former employees of the past and present independent auditors.

iii) Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.

iv) Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.

v) Following completion of the annual audit and quarterly reviews, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit and reviews.

vi) Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.

vii) Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.

viii) Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.

ix) Review activities, organizational structure, and qualifications of the CFO and the staff in the financial reporting area and see to it that matters related to succession planning within the Company are raised for consideration at the full Board.

I. **Ethical and Legal Compliance**

i) Review management's monitoring of the Company's system in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.

ii) Review, with the Company's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

iii) Review implementation of compliance with the Sarbanes-Oxley Act, Ontario Securities Commission requirements and other legal requirements.

iv) Ensure that the CEO and CFO provide written certification with annual and interim financial statements and interim MD&A and the Annual Information Form.

J. **Risk Management**

i) Make inquiries of management and the independent auditor to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risk to the Company.

ii) Ensure that the disclosure of the process followed by the Board and its committees, in the oversight of the Company's management of principal business risks, is complete and fairly presented.

iii) Review management's program of risk assessment and steps taken to manage these risks and exposures, including insurance coverage.

K. **General**

i) Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.

ii) The Committee shall comply with the requirements set out in the Board Guidelines relating to the engagement of outside advisors.

iii) The Company must provide funding for the Committee to pay ordinary administrative expenses that are necessary for the Committee to carry out its duties.

iv) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and institute and oversee special investigations as needed.

v) Review the findings of any examinations by regulatory agencies with respect to financial matters, and any external auditors observations made regarding those findings.

vi) Ensure disclosure in the Annual Information Form if, at any time since the commencement of most recently completed financial year, the issuer has relied on any possible exemptions for Audit Committees.

vii) Perform any other activities consistent with this Charter, the Company's Articles and By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

IV. ACCOUNTABILITY

A. The Committee Chair has the responsibility to make periodic reports to the Board, as requested, on audit and financial matters relative to the Company.

B. The Committee shall report its discussions to the Board by maintaining minutes of its meetings and providing an oral report at the next Board meeting.

C. The minutes of the Audit Committee should be filed with the Corporate Secretary.

V. COMMITTEE TIMETABLE

The timetable on the following pages outlines the Committee's schedule of activities during the year.

		Q1	Q2	Q3	Q4
A.	Create agenda for ensuing year.	√			
B.	Review and update Committee Charter	√			
C.	Describe briefly in the Company's Management Information Circular and/or the Company's Annual Information Form the Committee's composition and responsibilities and how they were discharged.	√			
D.	Documents/Reports Review	√	√	√	√
i)	Review with management and independent auditor, interim and annual financial statements, MD&A, earnings releases and any other financial information to be publicly disclosed and recommend approval to Board				
ii)	Review analyses prepared by management and/or independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements	√	√	√	√
iii)	Review effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements	√	√	√	√
iv)	Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, and review results of procedures performed in these areas by the independent auditor	√			
v)	Review Board Chair & CEO expenses	√			

		Q1	Q2	Q3	Q4
vi)	Ensure adequate procedures are in place to review disclosure of financial information extracted or derived from financial statements, and review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess adequacy of those procedures	√	√	√	√
E.	Independent Auditor			√	
i)	Recommend independent auditor to Board and consider independence and effectiveness and approve compensation for independent auditor				
ii)	Review and approve the independent auditor's audit plan and engagement letter and approve the audit scope and approach, staffing, locations, reliance upon management and internal audit and general audit approach				√
iii)	Monitor relationship between management and independent auditor	√	√	√	√
iv)	Review and discuss with independent auditor all significant relationships they have with the Company to determine their independence, and report to Board	√	√	√	√
v)	Review and approve requests for non-audit services to be performed by independent auditor & be advised of any study undertaken at request of management beyond scope of audit engagement letter and related fees	As Required			
vi)	Ensure disclosure of any specific policies or procedures adopted to satisfy pre-approval requirements for non-audit services by independent auditor	√			

		Q1	Q2	Q3	Q4
vii)	Review relationship of non-audit fees to audit fees paid to independent auditor	√	√	√	√
viii)	Ensure audit and non-audit fees are disclosed by category	√	√	√	√
ix)	Review independent auditor performance and approve any proposed discharge and replacement of independent auditor. Consider with management and independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor	√	√	√	√
x)	Consult with independent auditor out of presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements	√	√	√	√
xi)	Arrange for independent auditor to be available to the Committee and Board. Ensure independent auditors report directly to the Committee and are made accountable to the Board and the Committee	√	√	√	√
xii)	Oversee independent auditor	√	√	√	√
xiii)	Ensure independent auditor is prohibited from providing certain non-audit services	√	√	√	√
F.	Internal Auditor	√			
i)	Review effectiveness and independence of the internal auditor function and ensure there are no unjustified restrictions or limitations on the functioning of the internal auditor				

		Q1	Q2	Q3	Q4
ii)	Review and approve the scope of the proposed internal audit plan and ensure it addresses key areas of risk			√	
iii)	Periodically review:	√	√	√	√
	a) progress on the internal audit plan, including any significant changes to it;	√			
	b) significant internal audit findings, including issues relating to the adequacy of internal control over financial reporting; and				
	c) any significant internal fraud issues	√	√	√	√
iv)	Ensure the internal audit's significant findings and recommendations are received, discussed and appropriately acted upon by the Committee and management.	√	√	√	√
G.	Financial Reporting Processes	√			
i)	Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls				

		Q1	Q2	Q3	Q4
ii)	Understand the scope of the independent auditor's examination and report on the Company's assessment of internal control over financial reporting and review and discuss significant findings and recommendations, together with management's responses.	√			
iii)	Consider independent auditor's judgments about quality, appropriateness and acceptability of accounting principles and financial disclosure practices	√	√	√	√
iv)	Consider and approve any major changes to accounting principles and practices	√	√	√	√
H.	Process Improvement				
i)	Discuss with independent auditor (i) auditors' internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality- control review, or peer review, of the auditors, or by any inquiry of investigation by governmental or professional authorities, within the preceding 5 years, respecting independent audits carried out by auditors and steps taken to deal with such issues	√			
ii)	Review and approve hiring policies for employees or former employees of the past and present independent auditors	As Required			
iii)	Establish reporting system for management and independent auditor regarding significant judgments made in management's preparation of financial statements	√	√	√	√
iv)	Review scope and plans of independent auditor's audit and reviews			√	

		Q1	Q2	Q3	Q4
v)	Review with management and independent auditor significant changes to planned procedures, difficulties encountered during course of audit and reviews, and cooperation received by independent auditor during course of audit and reviews	√	√	√	√
vi)	Review significant disagreements among management and independent auditor connected with financial statement preparation	√	√	√	√
vii)	Ensure course of action for resolving significant unsettled issues	√	√	√	√
viii)	Review with independent auditor and management significant findings and the extent to which changes or improvements in financial or accounting practices have been implemented	√			
ix)	Review activities, organizational structure, and qualifications of CFO and financial reporting staff and ensure matters related to succession planning are raised with Board	√			
I.	Ethical and Legal Compliance				
i)	Review management's monitoring system for ensuring financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements	√	√	√	√
ii)	Review with counsel, legal and regulatory compliance matters and matters that could have significant impact on financial statements	√	√	√	√
iii)	Review implementation of compliance with SOX and OSC requirements	√	√	√	√

		Q1	Q2	Q3	Q4
iv)	Ensure CEO and CFO certify annual and interim financial statements and interim and annual MD&A	√	√	√	√
J.	Risk Management	√	√	√	√
i)	Inquire of management and independent auditor to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risk				
ii)	Ensure disclosure of process followed by Board and committees for oversight of management of principal business risks, is complete and fairly presented	√			
iii)	Review management's risk assessment program and steps taken to manage risks and exposures	√	√	√	√
K.	General	As Required			
i)	Conduct or authorize investigations into matters within the Committee's scope of responsibilities				

		Q1	Q2	Q3	Q4
ii)	With the approval of the Board Chair and in consultation with the CEO where reasonably practical, each committee has the authority and responsibility to engage, set the terms of, compensate and oversee any outside advisor that it determines to be necessary to permit it to carry out its duties. In considering the selection of any outside advisor, the applicable committee shall conduct an independence assessment of such advisor, having regard to, among other matters, (A) the provision of other services provided by the advisor to the Company, (B) the amount of fees received by the advisor from the Company as a percentage of total revenue of the advisor, (C) policies of the advisor designed to prevent conflicts of interest, (D) any business or personal relationship of the advisor with a member of the committee, Board or executives of the Company, (E) any shares or securities of the Company by the advisor, and (F) any business or personal relationship of the advisor with an executive officer of the Company.	As Required			
iii)	Acquire funding from the Company to pay for ordinary administrative expenses	As Required			
iv)	Establish procedures for receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters; and for anonymous submission by employees of concerns regarding questionable accounting or auditing matters and institute and oversee special investigations as needed	√	√	√	√

		Q1	Q2	Q3	Q4
v)	Review the findings of any examinations by regulatory agencies with respect to financial matters, and any external auditors observations made regarding those findings	As Required			
vi)	Ensure disclosure in AIF if any possible exemptions for Audit Committees have been used	√			
vii)	Assess adequacy of these terms of reference and recommend to Board	√			
viii)	Conduct annual self-evaluation and report to Board	√			

APPENDIX ONE TO SCHEDULE "A"

SILVER WHEATON CORP. AUDIT COMMITTEE CHARTER

Affiliated Person under SEC Rules

An "affiliated person", in accordance with the rules of the United States Securities and Exchange Commission adopted pursuant to the *Sarbanes-Oxley Act*, means a person who directly or indirectly controls the Company, or a director, executive officer, partner, member, principal or designee of an entity that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

Financial Literacy Under Multilateral Instrument 52-110

"Financially literate", in accordance with MI 52-110, means that the director has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Financial Expert Under SEC Regulation S-K

A person will qualify as "financial expert" if he or she possesses the following attributes:

a) an understanding of financial statements and generally accepted accounting principles;

b) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves;

c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;

d) an understanding of internal controls and procedures for financial reporting; and

e) an understanding of audit committee functions.

A person shall have acquired such attributes through:

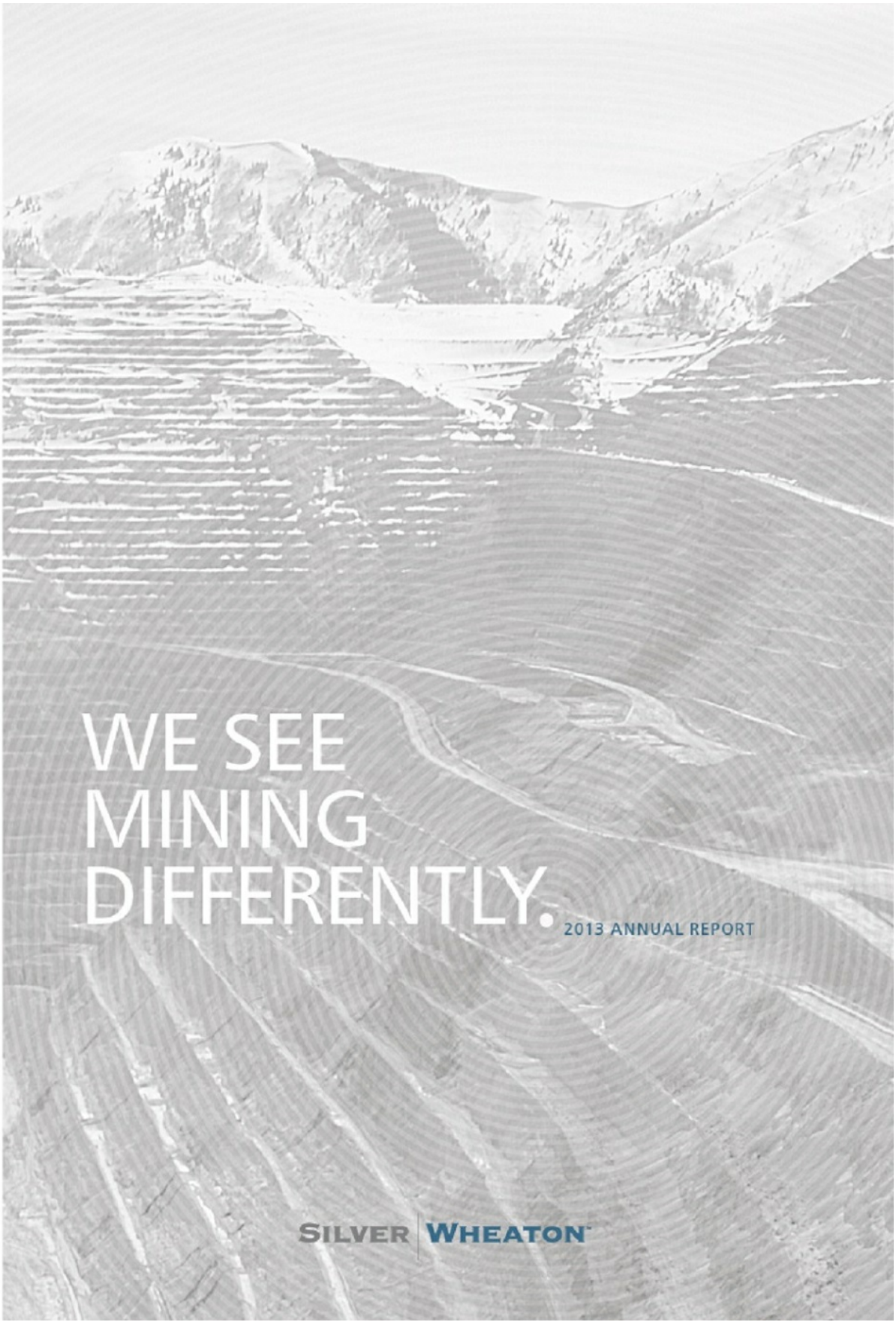
a) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;

b) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;

c) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or

d) other relevant experience.

Item		CSA*	NYSE**	
Ensure that the CEO's Terms of Reference include responsibility to make annual and interim written affirmations regarding the Audit Committee, and ensure that such written affirmations are submitted as required.			√	
Disclose the text of the Audit Committee's charter.		√		
Disclose names of committee members and state whether or not each is (i) independent and (ii) financially literate. Describe each member's education and experience relevant to responsibilities.		√		
Disclosure whether, at any time since the commencement of most recently completed financial year, the Company has relied on any possible exemptions for Audit Committees.		√		
If, at any time since the commencement of the issuer's most recently completed financial year, a recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the board of directors, state that fact and why.		√		
Disclose by category how much the auditor is paid for consulting and other services.		√		
Disclose any specific policies or procedures adopted by the Audit Committee for pre-approval of non-audit services by the external auditor.		√		
Prepare and disclose any Audit Committee reports required by applicable regulators.		√		


WE SEE
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2013 ANNUAL REPORT
SILVER | WHEATON

Management's Discussion and Analysis of Results of Operations and Financial Condition for the Year Ended December 31, 2013

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with Silver Wheaton Corp.'s ("Silver Wheaton" or the "Company") consolidated financial statements for the year ended December 31, 2013 and related notes thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). This MD&A contains "forward looking" statements that are subject to risk factors set out in the cautionary note contained on page 46 of this MD&A as well as throughout this document. All figures are presented in United States dollars unless otherwise noted. This MD&A has been prepared as of March 20, 2014.

Highlights

Operations

- Record attributable silver equivalent production for the three months and year ended December 31, 2013 of 9.7 million ounces (7.3 million ounces of silver and 40,700 ounces of gold) and 35.8 million ounces (26.8 million ounces of silver and 151,000 ounces of gold), respectively, representing an increase of 17% and 22% over the comparable periods in 2012.
- Attributable silver equivalent sales volume for the three months and year ended December 31, 2013 of 8.0 million ounces (6.1 million ounces of silver and 31,200 ounces of gold) and 30.0 million ounces (22.8 million ounces of silver and 117,300 ounces of gold), respectively, representing a decrease of 13% during the three month period and an increase of 10% during the twelve month period as compared to the comparable periods in 2012, with ounces sold for the most recently completed year representing a record for the Company.
- Average realized sale price per silver equivalent ounce sold for the three months and year ended December 31, 2013 of $21.00 ($21.03 per ounce of silver and $1,277 per ounce of gold) and $23.58 ($23.86 per ounce of silver and $1,380 per ounce of gold), representing a decrease of 33% and 24%, respectively, as compared to the comparable periods of 2012.
- Revenue for the three months and year ended December 31, 2013 of $167.4 million and $706.5 million, respectively, compared with $287.2 million and $849.6 million for the comparable periods in 2012, representing a decrease of 42% and 17%, respectively.
- Net earnings for the three months and year ended December 31, 2013 of $93.9 million ($0.26 per share) and $375.5 million ($1.06 per share), respectively, compared with $177.7 million ($0.50 per share) and $586.0 million ($1.66 per share) for the comparable periods in 2012, representing a decrease of 47% and 36%, respectively.
- Operating cash flows for the three months and year ended December 31, 2013 of $124.6 million ($0.35 per share[1]) and $534.1 million ($1.50 per share[1]), respectively, compared with $254.0 million ($0.72 per share[1]) and $719.4 million ($2.03 per share[1]) for the comparable periods in 2012, representing a decrease of 51% and 26%, respectively.
- On March 20, 2014, the Board of Directors declared a dividend in the amount of $0.07 per common share as per the Company's stated dividend policy whereby the quarterly dividend will be equal to 20% of the average of the previous four quarters operating cash flow. This dividend is payable to shareholders of record on April 4, 2014 and is expected to be distributed on or about April 15, 2014.
- Average cash costs[2] for the three months and year ended December 31, 2013 of $4.70 and $4.65 per silver equivalent ounce, respectively, as compared with $4.70 and $4.30 during the comparable periods of 2012.
- Cash operating margin[3] for the three months and year ended December 31, 2013 of $16.30 and $18.93 per silver equivalent ounce, respectively, representing a decrease of 39% and 29% relative to the comparable periods in 2012.
- As at December 31, 2013, approximately 6.4 million payable silver equivalent ounces attributable to the Company have been produced at the various mines and will be recognized in future sales as they are delivered to the Company under the terms of their contracts.

[1] Refer to discussion on non-IFRS measure (i) on page 26 of this MD&A.
[2] Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.
[3] Refer to discussion on non-IFRS measure (iii) on page 28 of this MD&A.

This represents an increase of 1.1 million payable silver equivalent ounces during the three month period ended December 31, 2013.

Corporate Development

- On February 28, 2013, the Company announced that it had entered into a definitive agreement to acquire from Vale S.A. ("Vale") an amount of gold equal to 25% of the life of mine gold production from its Brazilian Salobo mine, as well as 70% of the gold production, for a 20 year term, from certain of its Canadian Sudbury mines.

- On November 4, 2013, the Company announced that it had amended its precious metal purchase agreement with Hudbay Minerals Inc. (“Hudbay”) to include the acquisition of an amount equal to 50% of the gold production from its Constancia project in Peru for the life of mine.

- On November 11, 2013, the Company announced that it had entered into an Early Deposit Gold Stream Agreement to acquire from Sandspring Resources Ltd. ("Sandspring") an amount of gold equal to 10% of the life of mine gold production from its Toroparu project located in the Republic of Guyana, South America.

Other

- On February 28, 2013, the Company entered into two new credit facilities, comprised of (i) a $1 billion revolving credit facility (“Revolving Facility”) having a 5-year term; and (ii) a $1.5 billion bridge financing facility (“Bridge Facility”) having a 1-year term, as more fully described in Note 12 to the financial statements. These facilities replaced the pre-existing $400 million revolving credit facility and the $200 million non-revolving term loan (the “Term Loan”), with the Company repaying the $50.1 million outstanding balance on the Term Loan during the three months ended March 31, 2013.

- On May 28, 2013, the Company entered into a $1 billion non-revolving term loan ("NRT Loan") with a 3-year term,extendable by 1 year with the unanimous consent of lenders. The $1 billion proceeds were used to repay the remaining balance of $560 million under the Company’s $1.5 billion Bridge Facility and $440 million outstanding under the Company’s Revolving Facility. The Bridge Facility was terminated following the repayment of the outstanding balance.

- As per Barrick Gold Corp.’s (“Barrick”) Q3 2013 MD&A, Barrick has decided to temporarily suspend construction activities at its Pascua-Lama project (“Pascua-Lama”), except those required for environmental protection and regulatory compliance, and to place the project on care and maintenance. Barrick also stated that the decision to re-start construction activities will depend on improved project economics such as go-forward costs, the outlook for metal prices, and reduced uncertainty associated with legal and other regulatory requirements. As a result of the suspension, Barrick no longer expects production by mid-2016.

- On October 31, 2013, the Company announced that, as a result of Barrick’s decision to temporarily suspend construction activities at Pascua-Lama, the Company has amended its silver purchase agreement with Barrick. The amendment entails Silver Wheaton being entitled to 100% of the silver production from Barrick’s Lagunas Norte, Pierina and Veladero mines until the end of 2016 - an extension of one year, and extending the completion test deadline an additional year to December 31, 2017. As a reminder, if the requirements of the completion test have not been satisfied by the amended completion date, the agreement may be terminated by Silver Wheaton. In such an event, Silver Wheaton will be entitled to the return of the upfront cash consideration of $625 million less a credit for any silver delivered up to that date.

- On March 20, 2014, the Company announced that it will be implementing a dividend reinvestment plan whereby shareholders can elect to have dividends reinvested directly into additional Silver Wheaton common shares. It is intended that the plan will be effective commencing with the second dividend of 2014 which will be paid after the announcement of the First Quarter 2014 Earnings Results. The plan remains subject to regulatory approval.

Overview

Silver Wheaton Corp. is a mining company which generates its revenue primarily from the sale of silver and gold. The Company is listed on the New York Stock Exchange and the Toronto Stock Exchange and trades under the symbol SLW.

To date, the Company has entered into 20 long-term purchase agreements and one early deposit long-term purchase agreement associated with silver and/or gold ("Precious Metal Purchase Agreements"), relating to 24 different mining assets, whereby Silver Wheaton acquires silver and gold production from the counterparties for a per ounce cash payment which is fixed by contract, generally at or below the prevailing market price. Attributable silver and gold as referred to in this MD&A and financial statements is the silver and gold production to which Silver Wheaton is entitled pursuant to the various purchase agreements. During the year ended December 31, 2013, the per ounce price paid by the Company for silver and gold under the agreements averaged $4.12 and $386, respectively. The primary drivers of the Company's financial results are the volume of silver and gold production at the various mines to which the Precious Metal Purchase Agreements relate and the price of silver and gold realized by Silver Wheaton upon the sale of silver and gold received.

Outlook[1]

Silver Wheaton is the largest precious metals streaming company in the world. Based upon its current agreements, forecast 2014 attributable production is approximately 36 million silver equivalent ounces, including 155,000 ounces of gold. By 2018, annual attributable production is anticipated to increase significantly to approximately 48 million silver equivalent ounces, including 250,000 ounces of gold. Growth from 2014 to 2018 is driven by the Company's portfolio of low-cost and long-life assets, including the recently acquired gold streams on Vale S.A.'s ("Vale") Salobo and Sudbury mines in addition to the silver and gold stream on Hudbay's Constancia project.

The $96 million of cash and cash equivalents as at December 31, 2013 combined with the liquidity provided by the available credit under the undrawn $1 billion Revolving Facility and ongoing operating cashflows, positions the Company well to fund all outstanding commitments as well as providing flexibility to acquire additional accretive precious metal stream interests.

[1] Statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" for material risks, assumptions and important disclosure associated with this information.

Silver and Gold Interests[1]

The following table summarizes the silver and gold interests currently owned by the Company:

Silver and Gold Interests	Mine Owner	Location of Mine	Upfront Consideration [1]	Attributable Production to be Purchased		Term of Agreement	Date of Contract
				Silver	Gold		
San Dimas	Primero [2]	Mexico	$ 189,799	100% [2]	0%	Life of Mine	15-Oct-04
Yauliyacu	Glencore	Peru	$ 285,000	100% [3]	0%	20 years	23-Mar-06
Peñasquito	Goldcorp	Mexico	$ 485,000	25%	0%	Life of Mine	24-Jul-07
777	Hudbay	Canada	$ 455,100	100%	100%/50% [4]	Life of Mine	8-Aug-12
Salobo	Vale	Brazil	$ 1,330,000 [5]	0%	25%	Life of Mine	28-Feb-13
Sudbury	Vale	Canada	$ 623,572 [6]	0%	70%	20 years	28-Feb-13
Barrick			$ 625,000				
Pascua-Lama	Barrick	Chile/Argentina		25%	0%	Life of Mine	8-Sep-09
Lagunas Norte	Barrick	Peru		100%	0%	6 years [7]	8-Sep-09
Pierina	Barrick	Peru		100%	0%	6 years [7]	8-Sep-09
Veladero	Barrick	Argentina		100% [8]	0%	6 years [7]	8-Sep-09
Other			$ 1,148,833				
Los Filos	Goldcorp	Mexico	$ 4,463	100%	0%	25 years	15-Oct-04
Zinkgruvan	Lundin	Sweden	$ 77,866	100%	0%	Life of Mine	8-Dec-04
Stratoni	Eldorado Gold [9]	Greece	$ 57,500	100%	0%	Life of Mine	23-Apr-07
Minto	Capstone	Canada	$ 54,805	100%	100% [10]	Life of Mine	20-Nov-08
Cozamin	Capstone	Mexico	$ 41,959	100%	0%	10 years	4-Apr-07
Neves-Corvo	Lundin	Portugal	$ 35,350	100%	0%	50 years	5-Jun-07
Aljustrel	l'M SGPS	Portugal	$ 2,451	100%	0%	50 years	5-Jun-07
Mineral Park	Mercator [11]	United States	$ 42,000	100%	0%	Life of Mine	17-Mar-08
Campo Morado	Nyrstar NV	Mexico	$ 79,250	75%	0%	Life of Mine	13-May-08
Keno Hill	Alexco	Canada	$ 50,000	25%	0%	Life of Mine	2-Oct-08
Rosemont	Augusta	United States	$ 230,000 [12]	100%	100%	Life of Mine	10-Feb-10
Loma de La Plata	Pan American	Argentina	$ 43,289 [13]	12.5%	0%	Life of Mine	n/a [14]
Constancia	Hudbay	Peru	$ 429,900 [15]	100%	50% [16]	Life of Mine	8-Aug-12
Early Deposit							
Toroparu	Sandspring	Guyana	$ 148,500 [17]	0%	10% [17]	Life of Mine	8-Nov-13

1) Expressed in United States dollars, rounded to the nearest thousand; excludes closing costs and capitalized interest, where applicable.
2) Until August 6, 2014, Primero will deliver to Silver Wheaton a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas and 50% of any excess, plus Silver Wheaton will receive an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp. After August 6, 2014, Primero will deliver a per annum amount to Silver Wheaton equal to the first 6 million ounces of payable silver produced at San Dimas and 50% of any excess.
3) To a maximum of 4.75 million ounces per annum. In the event that silver sold and delivered to Silver Wheaton in any year totals less than 4.75 million ounces, the amount sold and delivered to Silver Wheaton in subsequent years will be increased to make up for any cumulative shortfall, to the extent production permits.
4) Silver Wheaton is entitled to acquire 100% of the life of mine gold production from Hudbay's 777 mine until Hudbay's Constancia project satisfies a completion test, or the end of 2016, whichever is later. At that point, Silver Wheaton's share of gold production from 777 will be reduced to 50% for the life of the mine.
5) Does not include the contingent payment related to the Salobo mine expansion. Vale is in the process of expanding the mill throughput capacity at the Salobo mine to 24 million tonnes per annum ("Mtpa") from its current 12 Mtpa. If throughput capacity is expanded above 28 Mtpa within a predetermined period, Silver Wheaton will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 Mtpa by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 Mtpa prior to January 1, 2021.
6) Comprised of a $570 million upfront cash payment plus warrants to purchase 10 million shares of Silver Wheaton common stock at a strike price of $65, with a term of 10 years.
7) Barrick will deliver to Silver Wheaton silver production from the currently producing mines until December 31, 2016.
8) Silver Wheaton's attributable silver production is subject to a maximum of 8% of the silver contained in the ore processed at Veladero during the period.
9) 95% owned by Eldorado Gold Corporation.
10) The Company is entitled to acquire 100% of the first 30,000 ounces of gold produced per annum and 50% thereafter.
11) On December 12, 2013, Mercator announced that they had entered a plan of arrangement with Intergeo MMC Ltd. to combine and create a new copper focused metals company. Mercator has also indicated that it is anticipated that the plan of arrangement transaction will be completed in Q2 2014.
12) Currently reflected as a contingent obligation, payable on an installment basis to partially fund construction of the Rosemont mine once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete constructior of the mine.
13) Comprised of $10.9 million allocated to the silver interest upon the Company's acquisition of Silverstone Resources Corp. in addition to a contingent liability of $32.4 million, payable upon the satisfaction of certain conditions, including Pan American receiving all necessary permits to proceed with the mine construction.
14) Definitive terms of the agreement to be finalized.
15) Comprised of $169.9 million which has been paid to date, with further payments of $125 million and $135 million to be made once $1 billion and $1.35 billion, respectively, in capital expenditures have been incurred at Constancia.
16) Gold recoveries will be set at 55% for the Constancia deposit and 70% for the Pampacancha deposit until 265,000 ounces of gold have been delivered to the Company.
17) Comprised of $13.5 million paid to date in addition to $135 million to be payable on an installment basis to partially fund construction of the mine. During the 90 day period following the delivery of a bankable definitive feasibility study, environmental study and impact assessment, and other related documents (collectively, the "Feasibility Documentation"), or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

[1] Statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" for material risks, assumptions and important disclosure associated with this information.

San Dimas

On October 15, 2004, the Company entered into an agreement with Goldcorp Inc. ("Goldcorp") to acquire an amount equal to 100% of the silver produced by Goldcorp's Luismin mining operations in Mexico (owned at the date of the transaction) for a period of 25 years. The Luismin mining operations consisted primarily of the San Dimas and the Los Filos mines.

On August 6, 2010, Goldcorp completed the sale of the San Dimas mine to Primero Mining Corp. ("Primero"). In conjunction with the sale, Silver Wheaton amended its silver purchase agreement relating to the mine. The term of the agreement, as it relates to San Dimas, was extended to the life of mine. During the first four years following the closing of the transaction, Primero will deliver to Silver Wheaton a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas and 50% of any excess, plus Silver Wheaton will receive an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp. Beginning in the fifth year after closing, Primero will deliver a per annum amount to Silver Wheaton equal to the first 6 million ounces of payable silver produced at San Dimas and 50% of any excess. Goldcorp will continue to guarantee the delivery by Primero of all silver produced and owing to the Company until 2029. Primero has provided Silver Wheaton with a right of first refusal on any metal stream or similar transaction it enters into.
As per Primero's March 5, 2014, news release, reserves at the San Dimas mine increased substantially year over year given their substantial exploration success in 2013. Silver reserves increased to 49.5 million ounces from 39.4 million ounces despite the lowering of metal price assumptions used in calculating reserves (December 31, 2013 reserves were calculated using $1,250 per ounce gold and $20 per ounce silver compared to $1,400 per ounce gold and $25 per ounce silver used for reserve calculations at the end of 2012). Primero's 2013 exploration program significantly expanded one of the new high-grade veins, named the Victoria vein, which was discovered in 2012. Due to its close proximity to infrastructure, Primero expects to access the highest grade portion of the Victoria vein within the next 18 months. According to Primero, expansion of the San Dimas mine from 2,150 tonnes per day ("tpd") to 2,500 tpd is on track for commissioning during the first quarter of 2014, and they continue to review the option to further expand the San Dimas mine to 3,000 tpd.

As at December 31, 2013, the Company has received approximately 57.5 million ounces of silver related to San Dimas under the agreement, generating cumulative operating cash flows of approximately $808 million. As at December 31, 2013, the San Dimas mine had proven and probable silver reserves of 49.5 million ounces and inferred silver resources of 73.0 million ounces (as described in the Attributable Reserves and Resources section of this MD&A).

Yauliyacu

On March 23, 2006, the Company entered into an agreement with Glencore International AG ("Glencore") to acquire an amount equal to 100% of the silver produced from Glencore's Yauliyacu mining operations in Peru, up to a maximum of 4.75 million ounces per year, for a period of 20 years. In the event that silver sold and delivered to Silver Wheaton in any year totals less than 4.75 million ounces, the amount sold and delivered to Silver Wheaton in subsequent years will be increased to make up for any cumulative shortfall, to the extent production permits. The cumulative shortfall as at March 23, 2013, representing the seven year anniversary, was 15.2 million ounces. During the term of the agreement, Silver Wheaton has a right of first refusal on any future sales of silver streams from the Yauliyacu mine and a right of first offer on future sales of silver streams from any other mine owned by Glencore at the time of the initial transaction.

Since mid-2009, concentrate shipments from the Yauliyacu mine have been affected by the shut-down of the Doe Run Peru La Oroya smelter, historically the largest buyer of the silver bearing concentrate produced at the mine. Since that time, alternative arrangements have been made by Glencore, though sales of the bulk concentrate continue to have an inconsistent delivery schedule. As at December 31, 2013, approximately 1.5 million ounces of cumulative payable silver ounces have been produced at Yauliyacu but not yet delivered to the Company, representing a decrease of 0.1 million payable silver ounces during the three month period ended December 31, 2013.

As at December 31, 2013, the Company has received approximately 19.3 million ounces of silver related to the Yauliyacu mine under the agreement, generating cumulative operating cash flows of approximately $294 million. As at December 31, 2013, the Company's share of the Yauliyacu proven and probable silver reserves was 15.3 million ounces, measured and indicated silver resources was 42.2 million ounces and inferred silver resources was 33.5 million ounces (as described in the Attributable Reserves and Resources section of this MD&A).

Peñasquito

On July 24, 2007, the Company entered into an agreement with Goldcorp to acquire an amount equal to 25% of the silver produced from Goldcorp's Peñasquito mining operations in Mexico for the life of mine.

As stated in Goldcorp's year end 2013 MD&A, Peñasquito continued to incrementally increase its fresh water production in 2013 from 69,500 to 77,000 cubic meters per day with the addition of eight new wells in the Torres-Vergel area and four new wells in the mine operations area. These new wells not only supplied water to replace the declining production in the existing well field, but also allowed water production to increase above 2012 year end levels. This increase in water production combined with rigorous control of tailings management and improved efficiencies in the primary crusher and augmented feed circuit, allowed an increase in plant throughput from 99,945 tonnes per day in 2012 to 106,200 tonnes per day in 2013. The Northern Well Field project, which will add 25 new production wells, is expected to be operational in the fourth quarter of 2014.

As detailed in Goldcorp's February 12, 2014, news release, Goldcorp has completed a new life-of-mine plan at Peñasquito that positively affected the 2014 and five-year production profile. As a result of this work, proven and probable silver mineral reserves attributable to Silver Wheaton decreased to 151.3 million ounces from 227.9 million ounces. The decrease was a result of higher strip ratio pushbacks and the classification of mineral reserves that require higher commodity prices to be economically processed as mineral resources. In 2014, exploration at Peñasquito will continue to focus on defining the high-grade core of the copper-gold, sulphide-rich skarn mineralization located below and adjacent to current mineral reserves. In addition to exploration, Goldcorp is investigating the potential for producing a saleable copper concentrate at Peñasquito. An additional study is also underway to assess the viability of leaching a pyrite concentrate from the zinc flotation tailings. Successful implementation of one or both of these new process improvements has the potential to significantly improve the overall economics and add to the mineral reserves of Peñasquito through addition of another saleable product, and increasing gold and silver recoveries.

As at December 31, 2013, approximately 1.6 million ounces of cumulative payable silver ounces have been produced at Peñasquito but not yet delivered to the Company, representing an increase of 0.5 million payable silver ounces during the three month period ended December 31, 2013.

As at December 31, 2013, the Company has received approximately 19.3 million ounces of silver related to the Peñasquito mine under the agreement, generating cumulative operating cash flows of approximately $456 million. As at December 31, 2013, the Company's 25% share of the Peñasquito proven and probable silver reserves was 151.3 million ounces, measured and indicated silver resources was 68.1 million ounces and inferred silver resources was 10.3 million ounces (as described in the Attributable Reserves and Resources section of this MD&A).

Ejido Land Claims

As per Goldcorp's year end 2013 MD&A, in 2005, prior to construction of the Peñasquito mine, an agreement was negotiated with the Cerro Gordo Ejido for the use of 600 hectares (approximately 1,483 acres) of surface land which includes 60% of the mine pit area, the waste rock facility and explosive magazine storage area and is located within the confines of the proposed Peñasquito mine site. The terms of the agreement were based on comparable surface valuations in the region as well as on similar agreements at the Peñasquito mine and other Mexican mining operations. In 2009, the Cerro Gordo Ejido commenced an action against Minera Peñasquito in Mexico's agrarian courts challenging the land use agreement. Following a series of legal proceedings, the agrarian courts ruled on June 18, 2013, that the land use agreement was null and ordered the land to be returned to the Cerro Gordo Ejido for payment of 2.4 million pesos. Three separate claims are currently proceeding in the First District Court of Zacatecas by the Cedros and Mazapil Ejidos and a local transportation union which have resulted in the suspension of the agrarian court's ruling, pending resolution of the three claims. The Cerro Gordo Ejido has appealed the suspension.

Goldcorp also stated that negotiations are taking place under the official observation of the office of the Mexican Secretary of the Economy and Goldcorp believes that proper representatives of both parties are currently engaged in a constructive process with a view to reaching a mutually beneficial settlement of the land claim. Goldcorp has filed with the office of the Secretaria De Desarrollo Agrario Territorial y Urbano ("SEDATU") the required filings to expropriate the disputed lands. In addition, Goldcorp has stated that they will continue to employ all legal means at its disposal to ensure continuity of operations and to protect Goldcorp's mineral concession rights consistent with Mexican law. Goldcorp notes that operations at the Peñasquito mine have not been impacted, however, in the event the suspensions of the agrarian court ruling are revoked or the claims by the Ejido Cedros, Ejido Mazapil and transportation union are ultimately rejected, Ejido Cerro Gordo would, absent any other intervening event be entitled to possession of the Cerro Gordo lands. Should this occur, Goldcorp states that mine operations would be adversely impacted, with the ultimate resolution of this matter being indeterminable at this time.

Barrick

On September 8, 2009, the Company entered into an agreement with Barrick to acquire an amount equal to 25% of the life of mine silver production from its Pascua-Lama project which is located in Chile and Argentina, as well as 100% of the silver production from its Lagunas Norte mine and Pierina mine, which are both located in Peru, and its Veladero[1] mine which is located in Argentina (collectively referred to as the "Barrick mines") until the end of 2013.

As per Barrick's year end 2013 MD&A, during the fourth quarter of 2013, Barrick decided to temporarily suspend construction activities at Pascua-Lama, except those required for environmental protection and regulatory compliance, and to place the project on care and maintenance. As disclosed by Barrick, Barrick's decision to re-start will depend on improved economics and reduced uncertainty associated with legal and other regulatory requirements, and that remaining development will take place in distinct stages with specific work programs and budgets.

As part of the original agreement, Barrick provided Silver Wheaton with a completion guarantee, requiring Barrick to complete Pascua-Lama to at least 75% of design capacity by December 31, 2015, which was subsequently extended to December 31, 2016. During 2014 and 2015, Silver Wheaton was to be entitled to the silver production from the currently producing mines to the extent of any production shortfall at Pascua-Lama, until Barrick satisfies the completion guarantee. As a result of Barrick's decision to temporarily suspend construction activities at Pascua-Lama, the Company has amended its silver purchase agreement with Barrick. The amendment entails Silver Wheaton being entitled to 100% of the silver production from Barrick's Lagunas Norte, Pierina and Veladero mines until the end of 2016 - an extension of one year. In addition, Silver Wheaton has agreed to extend the completion test deadline an additional year to the end of December 31, 2017. If the requirements of the completion guarantee have not been satisfied by the revised outside completion date, the agreement may be terminated by Silver Wheaton. In such an event, Silver Wheaton will be entitled to the return of the upfront cash consideration of $625 million less a credit for silver delivered up to that date.

Once in production, Pascua-Lama is forecast to be one of the largest and lowest cost gold mines in the world with an expected mine life in excess of 25 years. In its first full five years of operation, Silver Wheaton's silver production attributable to Pascua-Lama is expected to average 9 million ounces annually.

As at December 31, 2013, the Company has received approximately 11.0 million ounces of silver related to the Barrick mines under the agreement, generating cumulative operating cash flows of approximately $261 million. As at December 31, 2013, the Company's 25% share of the Pascua-Lama proven and probable silver reserves was 168.7 million ounces, measured and indicated silver resources was 28.7 million ounces and inferred silver resources was 3.2 million ounces (as described in the Attributable Reserves and Resources section of this MD&A). In addition, the Company's estimated share of the proven and probable silver reserves contained in the Lagunas Norte and Veladero mines is 53.2 million ounces.

Update on Matters Relating to Project Development

i. *Pascua-Lama Challenge to SMA Regulatory Sanction*

As per Barrick's year end 2013 MD&A, in June 2013, a group of local farmers and indigenous communities challenged the resolution issued by Chile's Superintendence of the Environment (Superintendencia del Medio Ambiente or "SMA") in May 2013 (the "Resolution"). The challenge, which was brought in the Environmental Court of Santiago, Chile (the "Environmental Court"), claims that the fine was inadequate and requests more severe sanctions against CMN, Barrick's Chilean subsidiary that holds the Chilean portion of the Pascua-Lama project, including the revocation of the Pascua-Lama project's environmental permit. The SMA presented its defense of the Resolution in July 2013. Barrick stated that in August, 2013, CMN joined as a party to this proceeding and has vigorously defended the Resolution. The hearing was held before the Environmental Court on September 4, 2013, and a court ordered inspection of the Pascua-Lama project site took place on December 5, 2013. On January 15, 2014, CMN presented additional environmental information to the Environmental Court. The decision of the Court is pending.

ii. *Pascua-Lama Environmental Damage Claim*

As per Barrick's year end 2013 MD&A, in June 2013, a group of local farmers filed an environmental damage claim against CMN in the Environmental Court, alleging that CMN has damaged glaciers located in the Pascua-Lama project area. The plaintiffs are seeking a court order requiring CMN to remedy the alleged damage and implement measures to prevent such environmental impact from continuing, including by halting construction of the Pascua-Lama project in Chile. CMN presented its defense on October 9, 2013. A settlement and evidentiary hearing took place on January 8, 2014.

[1] Silver Wheaton's attributable silver production is subject to a maximum of 8% of the silver contained in the ore processed at Veladero during the period.

Barrick stated that, as the parties failed to reach a settlement during that hearing, the parties proceeded to present documentary evidence and witness testimony to the Environmental Court, and that the hearing will resume in late February 2014.

iii. Constitutional Protection Actions

As per Barrick's year end 2013 MD&A, on September 25, 2013, the Chilean Supreme Court rejected the plaintiffs' appeal and confirmed the July 15, 2013 decision of the Court of Appeals of Copiapo, which ruled that CMN must complete the Pascua-Lama project's water management system in compliance with the environmental permit to the satisfaction of Chile's environmental regulator, the SMA, before resuming construction activities in Chile.

Barrick also stated that in September 2013, a new constitutional protection action was filed against CMN alleging that the company is conducting activities at the Pascua-Lama project that are not authorized by the July 15, 2013 decision of the Court of Appeals of Copiapo or the May 2013 resolution of the SMA (for more information on the SMA resolution see "Pascua-Lama SMA Regulatory Sanction" on page 6 of the Company's second quarter 2013 MD&A). Barrick stated that the Court of Appeals of Antofagasta admitted the case for review but declined to issue the preliminary injunction requested by the plaintiff. The challenged activities include the Pascua-Lama project's environmental monitoring as well as the operation and maintenance of facilities in connection with the completion of the Pascua-Lama project's water management system. The plaintiff, a lawyer acting on her own behalf, alleges that these activities infringe her constitutional right to life and to live in an environment free of contamination. The relief sought in the action is the complete suspension of these activities and the adoption by the SMA of administrative measures to, among other things, inspect the works and commence sanction proceedings against CMN as appropriate. Barrick states that on October 22, 2013, the SMA informed the Court that CMN is authorized to perform all of the activities challenged by the plaintiff. Barrick has stated that they intend to vigorously defend this matter.

iv. Argentine Glacier Legislation and Constitutional Litigation

In November 2010, a federal glacier protection law came into force that bans new mining exploration and exploitation activities on glaciers and in the "peri-glacial" environment, and subjects ongoing mining activities to an environmental audit. If such an audit identifies significant impacts on glaciers and the peri-glacial environment, the relevant authority is empowered to take action, which, according to the legislation, could include the suspension or relocation of the activity. In the case of the Veladero mine and the Pascua-Lama project, the competent authority is the Province of San Juan. In late January 2013, the Province of San Juan announced that it had completed the required environmental audit, which concluded that Veladero and Pascua-Lama do not impact glaciers or peri-glaciers. The constitutionality of the federal glacier law is the subject of a challenge before the National Supreme Court of Argentina, which has not yet ruled on the issue.

777

On August 8, 2012, the Company entered into an agreement with Hudbay Minerals Inc. ("Hudbay") to acquire an amount equal to 100% of the life of mine silver and gold production from its currently producing 777 mine, located in Canada. Silver Wheaton's share of gold production at 777 will remain at 100% until the later of the end of 2016 or the satisfaction of a completion test relating to Hudbay's Constancia project, after which it will be reduced to 50% for the remainder of the mine life. Hudbay has granted Silver Wheaton a right of first refusal on any future streaming agreement, royalty agreement, or similar transaction related to the production of silver or gold from 777. The silver production, sales and related costs associated with this agreement are reflected in this MD&A and financial statements as part of Other mines.

As at December 31, 2013, the Company has received approximately 0.9 million ounces of silver and 94,000 ounces of gold related to the 777 mine under the agreement, generating cumulative operating cash flows of approximately $87 million. As at December 31, 2012, the Company's share of 777's proven and probable reserves was 10.3 million ounces of silver and 520,000 ounces of gold and inferred resources was 0.8 million ounces of silver and 20,000 ounces of gold (as described in the Attributable Reserves and Resources section of this MD&A).

Salobo

On February 28, 2013, the Company entered into an agreement to acquire from Vale an amount of gold equal to 25% of the life of mine gold production from its currently producing Salobo mine, located in Brazil. Silver Wheaton made a total upfront cash payment of $1.33 billion on March 12, 2013 and, in addition, will make ongoing payments of the lesser of $400 per ounce of gold (subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of gold delivered.

Vale is in the process of expanding the mill throughput capacity at the Salobo mine to 24 million tonnes per annum ("Mtpa") from its current 12 Mtpa. If the expansion to 24 Mtpa is not completed by December 31, 2016, Silver Wheaton would be entitled to a gross up (a temporary increased percentage of gold production) based on the pro-rata achievement of the target production. If throughput capacity is expanded above 28 Mtpa within a predetermined period, Silver Wheaton will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 Mtpa by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 Mtpa prior to January 1, 2021.

As of December 31, 2013, the Company has received approximately 16,900 ounces of gold related to the Salobo mine under the agreement, generating cumulative operating cash flows of approximately $16 million. As at December 31, 2013, the Company's 25% share of the Salobo proven and probable gold reserves was 3.4 million ounces, measured and indicated gold resources was 770,000 ounces and inferred gold resources was 370,000 ounces (as described in the Attributable Reserves and Resources section of this MD&A).

Sudbury

On February 28, 2013, the Company entered into an agreement to acquire from Vale an amount of gold equal to 70% of the gold production from certain of its currently producing Sudbury mines located in Canada, including the Coleman mine, Copper Cliff mine, Garson mine, Stobie mine, Creighton mine, Totten mine and the Victor project (the "Sudbury mines") for a period of 20 years. Silver Wheaton made a total upfront cash payment on March 12, 2013 of $570 million plus warrants to purchase 10 million shares of Silver Wheaton common stock at a strike price of $65 per warrant, with a term of 10 years. In addition, Silver Wheaton will make ongoing payments of the lesser of $400 per ounce of gold or the prevailing market price per ounce of gold delivered.

As at December 31, 2013, approximately 0.7 million cumulative payable silver equivalent ounces (approximately 12,300 cumulative payable ounces of gold) have been produced at Sudbury but not yet delivered to the Company, representing an increase of 0.1 million payable silver equivalent ounces during the three month period ended December 31, 2013.

As of December 31, 2013, the Company has received approximately 17,400 ounces of gold related to the Sudbury mines under the agreement, generating cumulative operating cash flows of approximately $16 million. As at December 31, 2012, the Company's 70% share of the Sudbury mines proven and probable gold reserves was 720,000 ounces, measured and indicated gold resources was 400,000 ounces and inferred gold resources was 190,000 ounces (as described in the Attributable Reserves and Resources section of this MD&A).

Other

Other silver and gold interests consist of the following:

i. As part of the agreement with Goldcorp to acquire silver from the Luismin mining operations, on October 15, 2004, the Company entered into an agreement with Goldcorp to acquire 100% of the silver production from its Los Filos mine in Mexico for a period of 25 years, commencing October 15, 2004. In addition, pursuant to Goldcorp's sale of the San Dimas mine, Goldcorp is obligated to deliver to Silver Wheaton 1.5 million ounces of silver per year until August 6, 2014, which is reflected in this MD&A and financial statements as part of the silver production and sales relating to San Dimas;

ii. On December 8, 2004, the Company entered into an agreement with Lundin Mining Corporation ("Lundin") to acquire 100% of the silver produced by Lundin's Zinkgruvan mining operations in Sweden for the life of mine;

iii. On April 23, 2007, the Company entered into an agreement with European Goldfields Limited, which was acquired by Eldorado Gold Corporation ("Eldorado Gold") on February 24, 2012, to acquire 100% of the life of mine silver production from its 95% owned Stratoni mine in Greece;

iv. On March 17, 2008, the Company entered into an agreement with Mercator Minerals Ltd. ("Mercator") to acquire an amount equal to 100% of the life of mine silver production from its Mineral Park mine in the United States;

v. On May 13, 2008, the Company entered into an agreement with Farallon Mining Ltd., which was acquired by Nyrstar NV ("Nyrstar") on January 5, 2011, to acquire an amount equal to 75% of the life of mine silver production from its Campo Morado mine in Mexico;

vi. On October 2, 2008, the Company entered into an agreement with Alexco Resource Corp. ("Alexco") to acquire an amount equal to 25% of the life of mine silver production from its Keno Hill silver district in Canada, including the Bellekeno mine;

vii. On May 21, 2009, the Company completed the acquisition of Silverstone Resources Corp. (the "Silverstone Acquisition"). As part of the Silverstone Acquisition, the Company acquired a precious metal purchase agreement with Capstone Mining Corp. ("Capstone") to acquire 100% of the silver and gold produced (subject to certain thresholds) from Capstone's Minto mine in Canada for the life of mine. The Company is entitled to acquire 100% of all the silver produced and 100% of the first 30,000 ounces of gold produced per annum and 50% thereafter.

viii. As part of the Silverstone Acquisition, the Company acquired a silver purchase agreement with Capstone to acquire 100% of the silver produced from Capstone's Cozamin mine in Mexico for a period of 10 years, commencing on April 4, 2007;

ix. As part of the Silverstone Acquisition, the Company acquired an agreement with Lundin to acquire 100% of the silver production from its Neves-Corvo mine in Portugal for a period of 50 years, commencing June 5, 2007;

x. As part of the Silverstone Acquisition, the Company acquired an agreement with I'M SGPS to acquire 100% of the silver production from its Aljustrel mine in Portugal for a period of 50 years, commencing June 5, 2007;

xi. As part of the Silverstone Acquisition, the Company acquired an agreement with Aquiline Resources Inc., which was acquired by Pan American Silver Corp. ("Pan American") on December 22, 2009, to acquire an amount equal to 12.5% of the life of mine silver production from the Loma de La Plata zone of the Navidad project in Argentina, the definitive terms of which are to be finalized. The Company is committed to pay Pan American total upfront cash payments of $32.4 million following the satisfaction of certain conditions, including Pan American receiving all necessary permits to proceed with the mine construction;

xii. On February 10, 2010, the Company entered into an agreement with Augusta Resource Corporation ("Augusta") to acquire an amount equal to 100% of the life of mine silver and gold production from the Rosemont Copper project ("Rosemont") in the United States. The Company is committed to pay Augusta total upfront cash payments of $230 million, payable on an installment basis to partially fund construction of the Rosemont mine once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete construction of the mine; and

xiii. On August 8, 2012, the Company entered into an agreement with Hudbay to acquire an amount equal to 100% of the life of mine silver production from the Constancia project ("Constancia") in Peru. On November 4, 2013, the Company amended its agreement with Hudbay to include the acquisition of an amount equal to 50%[1] of the life of mine gold production from Constancia. Under the amended agreement, Silver Wheaton will pay Hudbay total cash consideration of $429.9 million, of which $169.9 million has been paid as at December 31, 2013, with additional payments of $125 million and $135 million to be made once capital expenditures of $1 billion and $1.35 billion, respectively, have been incurred at Constancia. Silver Wheaton has the option to make the $135 million payment in either cash or Silver Wheaton shares, with the number of shares to be determined at the time the payment is made[2]. In addition, Silver Wheaton will make ongoing payments of the lesser of $5.90 per ounce of silver and $400 per ounce of gold (both subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of silver and gold delivered. If the Constancia processing plant fails to achieve at least 90% of expected throughput and silver recovery by December 31, 2016, Silver Wheaton would be entitled to continued delivery of 100% of the gold production from Hudbay's 777 mine. If the completion test has not been satisfied by December 31, 2020, Silver Wheaton would be entitled to a proportionate return of the upfront cash consideration relating to Constancia. In addition, Silver Wheaton would be entitled to additional compensation in respect of the gold stream should there be a delay in achieving completion or mining the Pampacancha deposit beyond the end of 2018. Hudbay has granted Silver Wheaton a right of first refusal on any future streaming agreement, royalty agreement, or similar transaction related to the production of silver or gold from Constancia.

[1] Gold recoveries will be set at 55% for the Constancia deposit and 70% for the Pampacancha deposit until 265,000 ounces of gold have been delivered to the Company.

[2] If Silver Wheaton shares are used, the number of common shares will be calculated based on the volume weighted average trading price of the Company on the Toronto Stock Exchange for the ten consecutive trading days immediately prior to the date the consideration is payable.

As disclosed in Alexco's September 23, 2013 press release, as a result of a decline in silver prices, operations at the Bellekeno mine were suspended in early September under the previously-announced winter suspension plan. Alexco has previously stated that they plan to use the winter period to significantly restructure the underlying fixed costs at Keno Hill and plan to re-open the mine and mill after the winter, providing that the silver market has improved from current levels and that the underlying fixed costs related to Keno Hill have been reduced.

As per Mercator's press release dated September 30, 2013, in light of the commodity price environment, capital market conditions and the challenges these pose for Mercator, Mercator's board of directors has advanced and accelerated its ongoing process to review strategic alternatives. In conjunction with this, pursuant to an amendment to the Mineral Park silver purchase agreement, Mercator exercised its option to defer delivery of 50% of the required silver deliveries for one year starting July 1, 2013. All deferred silver will be delivered in equal installments over 18 months after the one year deferral period. Mercator will compensate Silver Wheaton for any shortfall arising from a decrease in the silver spot price between the time of the original delivery date and the date of actual delivery, including a 12% annualized interest rate. The amendment also grants Silver Wheaton a right of first refusal on any future precious metals streams relating to the El Creston project. To December 31, 2013, Mercator has deferred delivery of approximately 104,000 ounces.

On December 12, 2013, Mercator announced that they had entered a plan of arrangement with Intergeo MMC Ltd. ("Intergeo") to combine and create a new copper focused metals company. In addition, on December 23, 2013, Mercator announced that it had secured $10 million bridge loan financing from the controlling shareholder of Intergeo. Mercator has indicated that it is anticipated that the plan of arrangement transaction will complete in Q2 2014.

As at December 31, 2013, the Company has received approximately 41.6 million ounces of silver and 97,000 ounces of gold under these agreements, generating cumulative operating cash flows of approximately $906 million.

As at December 31, 2013[1], unless otherwise noted, these silver and gold interests had proven and probable reserves of 358.7 million ounces of silver and 740,000 ounces of gold, measured and indicated resources of 415.4 million ounces of silver and 680,000 ounces of gold and inferred resources of 209.5 million ounces of silver and 300,000 ounces of gold (as described in the Attributable Reserves and Resources section of this MD&A).

Early Deposit Gold Interest

On November 11, 2013, the Company entered into a life of mine early deposit precious metal purchase agreement (the "Early Deposit Agreement") to acquire from Sandspring an amount of gold equal to 10% of the gold production from its Toroparu project located in the Republic of Guyana, South America. Silver Wheaton will pay Sandspring total cash consideration of $148.5 million, of which $13.5 million has been paid to date, with the additional $135 million to be payable on an installment basis to partially fund construction of the mine. In addition, Silver Wheaton will make ongoing payments of the lesser of $400 per ounce of gold (subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of gold delivered. Under the Early Deposit Agreement, there will be a 90 day period following the delivery of a bankable definitive feasibility study, environmental study and impact assessment, and other related documents (collectively, the "Feasibility Documentation"), or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, where Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

As at March 31, 2013, the Company's 10% share of the Toroparu proven and probable gold reserves was 410,000 ounces, measured and indicated gold resources was 240,000 ounces and inferred gold resources was 310,000 ounces (as described in the Attributable Reserves and Resources section of this MD&A).

[1] Mineral reserves and mineral resources are reported as of December 31, 2013, other than as disclosed in footnote 6 to the Attributable Reserves and Resources tables on page 44 of this MD&A.

Long-Term Investments

The Company will, from time to time, invest in securities of publicly listed mining companies for strategic purposes. The Company held the following investments as at December 31, 2013:

(in thousands)	December 31 2013	December 31 2012
Common shares held	$ 40,801	$ 118,683
Warrants held	-	2,694
	$ 40,801	$ 121,377

Common Shares Held

(in thousands)	Dec 31, 2013 Fair Value	Three Months Ended Dec 31, 2013 Fair Value Adjustment Losses Included in OCI	Year Ended Dec 31, 2013 Fair Value Adjustment Losses Included in OCI
Bear Creek	$ 18,208	$ (11,713)	$ (25,922)
Revett	3,827	(2,186)	(10,997)
Sabina	8,030	(1,980)	(23,133)
Other	10,736	(1,962)	(17,829)
	$ 40,801	$ (17,841)	$ (77,881)

(in thousands)	Dec 31, 2012 Fair Value	Three Months Ended Dec 31, 2012 Fair Value Adjustment Losses Included in OCI	Year Ended Dec 31, 2012 Fair Value Adjustment Losses Included in OCI
Bear Creek	$ 44,130	$ (5,896)	$ (2,041)
Revett	14,824	(4,092)	(9,747)
Sabina	31,164	(7,848)	(13,013)
Other	28,565	(10,239)	(6,333)
	$ 118,683	$ (28,075)	$ (31,134)

Warrants Held

(in thousands)	Dec 31, 2013 Fair Value	Three Months Ended Dec 31, 2013 Fair Value Adjustment	Year Ended Dec 31, 2013 Losses Included in Net Earnings
Warrants held	$ -	$ -	$ (2,694)

(in thousands)	Dec 31, 2012 Fair Value	Three Months Ended Dec 31, 2012 Fair Value Adjustment	Year Ended Dec 31, 2012 (Losses) Gains Included in Net Earnings
Warrants held	$ 2,694	$ (1,441)	$ 496

The Company's long-term investments in common shares ("LTI's") are held for long-term strategic purposes and not for trading purposes. As such, the Company has elected to reflect any fair value adjustments as a component of other comprehensive income ("OCI").

While long-term investments in warrants are also held for long-term strategic purposes, they meet the definition of a derivative and therefore are classified as financial assets with fair value adjustments being recorded as a component of net earnings under the classification Other Expense (Income). Warrants that do not have a quoted market price have been valued using a Black-Scholes option pricing model.

By holding these long-term investments, the Company is inherently exposed to various risk factors including currency risk, market price risk and liquidity risk.

During the year ended December 31, 2013, the value of the Company's LTI's decreased by $77.9 million. As a result of this decrease, the deferred income tax liability attributable to the LTI's was reduced and during year ended December 31, 2013, the Company recorded a deferred income tax recovery in OCI of $1.8 million. The reduction in the deferred income tax liability attributable to the LTI's resulted in the reversal of previously recognized deferred income tax assets which increased the deferred income tax expense reflected in net earnings.

Bear Creek

At December 31, 2013, Silver Wheaton owned approximately 13.3 million (December 31, 2012 – 13.3 million) common shares of Bear Creek Mining Corporation ("Bear Creek"), representing approximately 14% (December 31, 2012 – 14%) of the outstanding shares of Bear Creek. At December 31, 2013, the fair value of the Company's investment in Bear Creek was $18.2 million (December 31, 2012 - $44.1 million).

Revett

At December 31, 2013, Silver Wheaton owned 5.3 million (December 31, 2012 – 5.3 million) common shares of Revett Minerals Inc. ("Revett"), representing approximately 15% (December 31, 2012 – 15%) of the outstanding shares of Revett. During the year ended December 31, 2012, the Company acquired 0.3 million common shares of Revett from the exercise of 0.3 million Revett warrants for total consideration of $0.4 million. At December 31, 2013, the fair value of the Company's investment in Revett was $3.8 million (December 31, 2012 - $14.8 million).

Sabina

At December 31, 2013, Silver Wheaton owned 11.7 million (December 31, 2012 – 11.7 million) common shares of Sabina Gold & Silver Corp. ("Sabina"), representing approximately 6% (December 31, 2012 – 7%) of the outstanding shares of Sabina.

At December 31, 2013, the fair value of the Company's investment in Sabina was $8.0 million (December 31, 2012 - $31.2 million).

Other

At December 31, 2013, Silver Wheaton owned common shares and common share purchase warrants of several other publicly traded mineral exploration, development and mining companies. As Silver Wheaton's investment represents less than 10% of the outstanding shares of each of the respective companies and is not considered material to Silver Wheaton's overall financial position, these investments have been reflected in this MD&A and financial statements as part of Other long-term investments.

At December 31, 2013, the fair value of the Other long-term investments was $10.7 million (December 31, 2012 - $31.3 million).

Summarized Financial Results

	2013	2012	2011
Silver equivalent production [1]			
Attributable silver ounces produced (000's)	26,754	26,669	24,557
Attributable gold ounces produced	151,041	50,482	18,436
Attributable silver equivalent ounces produced (000's) [1]	35,823	29,372	25,374
Silver equivalent sales [1]			
Silver ounces sold (000's)	22,823	24,850	20,247
Gold ounces sold	117,319	46,094	18,256
Silver equivalent ounces sold (000's) [1]	29,963	27,328	21,069
Average realized price ($'s per ounce)			
Average realized silver price	$ 23.86	$ 31.03	$ 34.60
Average realized gold price	$ 1,380	$ 1,701	$ 1,609
Average realized silver equivalent price [1]	$ 23.58	$ 31.09	$ 34.65
Average cash cost ($'s per ounce) [2]			
Average silver cash cost	$ 4.12	$ 4.06	$ 3.99
Average gold cash cost	$ 386	$ 362	$ 300
Average silver equivalent cash cost [1]	$ 4.65	$ 4.30	$ 4.09
Total revenue ($000's)	$ 706,472	$ 849,560	$ 729,997
Net earnings ($000's)	$ 375,495	$ 586,036	$ 550,028
Earnings per share			
Basic	$ 1.06	$ 1.66	$ 1.56
Diluted	$ 1.05	$ 1.65	$ 1.55
Cash flow from operations ($000's)	$ 534,133	$ 719,404	$ 626,427
Dividends			
Dividends paid ($000's)	$ 160,013	$ 123,852	$ 63,612
Dividends paid per share	$ 0.45	$ 0.35	$ 0.18
Total assets ($000's)	$ 4,389,844	$ 3,189,337	$ 2,872,335
Total non-current financial liabilities ($000's)	$ 999,973	$ 23,555	$ 50,424
Total other liabilities ($000's)	$ 23,325	$ 58,708	$ 167,694
Shareholders' equity ($000's)	$ 3,366,546	$ 3,107,074	$ 2,654,217
Shares outstanding	357,396,778	354,375,852	353,499,816

1) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver, or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.
2) Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.

Summary of Ounces Produced and Sold

	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Silver ounces produced [2]								
San Dimas [3]	1,979	1,660	1,160	1,743	1,694	1,288	1,231	1,692
Yauliyacu [2]	687	639	668	624	616	640	606	550
Peñasquito	2,047	1,636	1,440	1,093	1,445	1,940	1,822	1,365
Barrick [4]	423	465	556	741	769	617	455	630
Other [5]	2,119	2,450	2,586	2,038	2,345	2,251	2,378	2,335
Total silver ounces produced	7,255	6,850	6,410	6,239	6,869	6,736	6,492	6,572
Gold ounces produced [2]								
777	14,134	18,259	16,986	16,951	19,615	11,824[8]	-	-
Sudbury	6,920	7,341	8,840	9,846	-	-	-	-
Salobo	10,067	8,061	6,342	4,677	-	-	-	-
Other [6]	9,530	2,894	4,226	5,967	6,785	5,200	3,710	3,348
Total gold ounces produced	40,651	36,555	36,394	37,441	26,400	17,024	3,710	3,348
Silver equivalent ounces of gold produced [7]	2,468	2,237	2,269	2,095	1,432	881	218	172
Silver equivalent ounces produced [7]	9,723	9,087	8,679	8,334	8,301	7,617	6,710	6,744
Silver ounces sold								
San Dimas [3]	2,071	1,560	1,194	1,850	1,629	1,178	1,295	1,701
Yauliyacu	674	13	559	149	1,097	184	1,155	497
Peñasquito	1,412	1,388	1,058	1,459	1,642	1,304	1,845	1,189
Barrick [4]	397	447	560	753	826	528	470	656
Other [5]	1,510	2,257	1,771	1,741	2,153	1,592	2,024	1,885
Total silver ounces sold	6,064	5,665	5,142	5,952	7,347	4,786	6,789	5,928
Gold ounces sold								
777	15,889	16,972	23,483	9,414	28,084	-	-	-
Sudbury	6,551	6,534	4,184	111	-	-	-	-
Salobo	6,944	6,490	2,793	720	-	-	-	-
Other [6]	1,840	5,287	3,409	6,698	4,876	6,905	2,369	3,860
Total gold ounces sold	31,224	35,283	33,869	16,943	32,960	6,905	2,369	3,860
Silver equivalent ounces of gold sold [7]	1,909	2,163	2,097	971	1,784	357	139	198
Silver equivalent ounces sold [7]	7,973	7,828	7,239	6,923	9,131	5,143	6,928	6,126
Gold / silver ratio [7]	61.1	61.3	61.9	57.3	54.1	51.7	58.7	51.2
Cumulative payable silver equivalent ounces produced but not yet delivered [9]	6,392	5,289	5,022	4,051	3,824	5,195	3,212	4,166

1) All figures in thousands except gold ounces produced and sold.
2) Ounces produced represent the quantity of silver and gold contained in concentrate or doré prior to smelting or refining deductions. Production figures are based on information provided by the operators of the mining operations to which the silver or gold interests relate or management estimates in those situations where other information is not available. Certain production figures may be updated in future periods as additional information is received. The Company has been informed by Glencore that reported production related to the Yauliyacu mine may have been overstated by a total of approximately 200,000 ounces for all or some portion of the period between April 1, 2011 and June 30, 2012. The required adjustments to production, if any, related to the Yauliyacu mine for these periods will be made once management completes a review of the timing and amount of any production variance.
3) The ounces produced and sold include ounces received from Goldcorp in connection with Goldcorp's four year commitment to deliver to Silver Wheaton 1.5 million ounces of silver per annum resulting from their sale of San Dimas to Primero.
4) Comprised of the Lagunas Norte, Pierina and Veladero silver interests.
5) Comprised of the Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Minto, 777, Aljustrel and Campo Morado silver interests.
6) Comprised of the Minto gold interest.
7) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.
8) Represents production for the period August 8, 2012 to September 30, 2012.
9) Based on management estimates.

Quarterly Financial Review

	2013				2012			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total silver ounces sold (000's)	6,064	5,665	5,142	5,952	7,347	4,786	6,789	5,928
Average realized silver price[1]	$ 21.03	$ 21.22	$ 23.12	$ 29.89	$ 31.47	$ 31.16	$ 29.12	$ 32.58
Silver sales (000's)	$ 127,549	$ 120,255	$ 118,885	$ 177,898	$ 231,226	$ 149,086	$ 197,694	$ 193,162
Total gold ounces sold	31,224	35,283	33,869	16,943	32,960	6,905	2,369	3,860
Average realized gold price[1]	$ 1,277	$ 1,308	$ 1,417	$ 1,645	$ 1,699	$ 1,765	$ 1,568	$ 1,678
Gold sales (000's)	$ 39,867	$ 46,150	$ 48,005	$ 27,863	$ 56,015	$ 12,187	$ 3,714	$ 6,476
Total silver equivalent ounces sold (000's)[2]	7,973	7,828	7,239	6,923	9,131	5,143	6,928	6,126
Average realized silver equivalent price[1, 2]	$ 21.00	$ 21.26	$ 23.05	$ 29.72	$ 31.46	$ 31.36	$ 29.07	$ 32.59
Total sales (000's)	$ 167,416	$ 166,405	$ 166,890	$ 205,761	$ 287,241	$ 161,273	$ 201,408	$ 199,638
Average cash cost, silver[1, 3]	$ 4.14	$ 4.13	$ 4.14	$ 4.08	$ 4.12	$ 4.04	$ 4.04	$ 4.02
Average cash cost, gold[1, 3]	$ 394	$ 386	$ 391	$ 362	$ 386	$ 303	$ 303	$ 303
Average cash cost, silver equivalent[1, 2, 3]	$ 4.70	$ 4.73	$ 4.77	$ 4.39	$ 4.70	$ 4.16	$ 4.06	$ 4.08
Net earnings (000's)	$ 93,900	$ 77,057	$ 71,117	$ 133,421	$ 177,744	$ 119,697	$ 141,414	$ 147,181
Earnings per share								
Basic	$ 0.26	$ 0.22	$ 0.20	$ 0.38	$ 0.50	$ 0.34	$ 0.40	$ 0.42
Diluted	$ 0.26	$ 0.22	$ 0.20	$ 0.37	$ 0.50	$ 0.34	$ 0.40	$ 0.41
Cash flow from operations (000's)	$ 124,591	$ 118,672	$ 125,258	$ 165,612	$ 254,026	$ 128,651	$ 172,916	$ 163,811
Cash flow from operations per share[4]								
Basic	$ 0.35	$ 0.33	$ 0.35	$ 0.47	$ 0.72	$ 0.36	$ 0.49	$ 0.46
Diluted	$ 0.35	$ 0.33	$ 0.35	$ 0.46	$ 0.71	$ 0.36	$ 0.49	$ 0.46
Dividends								
Dividends declared (000's)	$ 32,165	$ 35,629	$ 42,573	$ 49,646[5]	$ 24,806	$ 35,388	$ 31,829	$ 31,829[6]
Dividends declared per share	$ 0.09	$ 0.10	$ 0.12	$ 0.14	$ 0.07	$ 0.10	$ 0.09	$ 0.09
Total assets (000's)	$ 4,389,844	$ 4,398,445	$ 4,396,012	$ 4,400,253	$ 3,189,337	$ 3,046,564	$ 3,056,825	$ 3,005,839
Total liabilities (000's)	$ 1,023,298	$ 1,078,137	$ 1,178,859	$ 1,174,470	$ 82,263	$ 71,076	$ 212,147	$ 242,873
Total shareholders' equity (000's)	$ 3,366,546	$ 3,320,308	$ 3,217,153	$ 3,225,783	$ 3,107,074	$ 2,975,488	$ 2,844,678	$ 2,762,966

1) Expressed as United States dollars per ounce.
2) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.
3) Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.
4) Refer to discussion on non-IFRS measure (i) on page 26 of this MD&A.
5) On March 21, 2013, the Company declared dividends of $0.14 per common share for total dividends of $49.6 million, which was paid on April 12, 2013.
6) On March 22, 2012, the Company declared dividends of $0.09 per common share for total dividends of $31.8 million, which was paid on April 17, 2012.

Changes in sales, net earnings and cash flow from operations from quarter to quarter are affected primarily by fluctuations in production at the mines, the timing of shipments, changes in the price of silver or gold, the commencement of operations of mines under construction, as well as acquisitions of precious metal purchase agreements and any related capital raising activities.

Results of Operations and Operational Review

The Company currently has nine reportable operating segments: the silver produced by the San Dimas, Yauliyacu, Peñasquito and Barrick mines, the gold produced by the 777, Sudbury and Salobo mines, the silver and gold produced by the Other mines and corporate operations.

	Three Months Ended December 31, 2013								
	Ounces Produced[2]	Ounces Sold	Sales	Average Realized Price ($'s Per Ounce)	Average Cash Cost ($'s Per Ounce)[3]	Average Depletion ($'s Per Ounce)	Net Earnings	Cash Flow From Operations	Total Assets
Silver									
San Dimas [4]	1,979	2,071	$ 42,071	$ 20.32	$ 4.17	$ 0.82	$ 31,753	$ 33,443	$ 157,492
Yauliyacu	687	674	14,681	21.78	4.12	5.75	8,030	11,904	207,277
Peñasquito	2,047	1,412	30,508	21.61	4.02	2.96	20,647	24,832	472,289
Barrick [5]	423	397	8,629	21.72	3.90	3.31	5,765	6,891	601,107
Other [6]	2,119	1,510	31,660	20.96	4.30	4.66	18,127	25,803	549,927
	7,255	6,064	$ 127,549	$ 21.03	$ 4.14	$ 2.99	$ 84,322	$ 102,873	$ 1,988,092
Gold									
777	14,134	15,889	$ 20,127	$ 1,267	$ 400	$ 802	$ 1,036	$ 13,771	$ 280,026
Sudbury	6,920	6,551	8,363	1,277	400	829	311	5,743	1,322,483
Salobo	10,067	6,944	9,025	1,300	400	462	3,039	6,247	609,454
Other [7]	9,530	1,840	2,352	1,278	306	115	1,577	2,192	28,429
	40,651	31,224	$ 39,867	$ 1,277	$ 394	$ 691	$ 5,963	$ 27,953	$ 2,240,392
Silver equivalent [8]	9,723	7,973	$ 167,416	$ 21.00	$ 4.70	$ 4.98	$ 90,285	$ 130,826	$ 4,228,484
Corporate									
General and administrative							$ (7,150)		
Other							10,765		
Total corporate							$ 3,615	$ (6,235)	$ 161,360
	9,723	**7,973**	**$ 167,416**	**$ 21.00**	**$ 4.70**	**$ 4.98**	**$ 93,900**	**$ 124,591**	**$ 4,389,844**

1) All figures in thousands except gold ounces produced and sold and per ounce amounts.
2) Ounces produced represent the quantity of silver and gold contained in concentrate or doré prior to smelting or refining deductions. Production figures are based on information provided by the operators of the mining operations to which the silver or gold interests relate or management estimates in those situations where other information is not available. Certain production figures may be updated in future periods as additional information is received.
3) Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.
4) Results for San Dimas include 375,000 ounces received from Goldcorp in connection with Goldcorp's four year commitment to deliver to Silver Wheaton 1.5 million ounces of silver per annum resulting from their sale of San Dimas to Primero.
5) Comprised of the operating Lagunas Norte, Pierina and Veladero silver interests in addition to the non-operating Pascua-Lama silver interest.
6) Comprised of the operating Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777 and Aljustrel silver interests in addition to the non-operating Rosemont, Loma de La Plata and Constancia silver interests. Comprised of the operating Minto gold interest in addition to the non-operating Rosemont and Constancia gold interests.
7) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price
8) of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.

	Three Months Ended December 31, 2012								
	Ounces Produced[2]	Ounces Sold	Sales	Average Realized Price ($'s Per Ounce)	Average Cash Cost ($'s Per Ounce)[3]	Average Depletion ($'s Per Ounce)	Net Earnings	Cash Flow From Operations	Total Assets
Silver									
San Dimas [4]	1,694	1,629	$ 52,080	$ 31.97	$ 4.13	$ 0.79	$ 44,059	$ 45,351	$ 162,936
Yauliyacu	616	1,097	30,753	28.03	4.08	5.02	20,773	32,106	215,295
Peñasquito	1,445	1,642	53,697	32.71	3.99	2.96	42,287	47,147	487,272
Barrick [5]	769	826	26,920	32.59	3.90	4.34	20,112	23,561	597,736
Other [6]	2,345	2,153	67,776	31.48	4.30	4.72	48,344	61,837	454,677
	6,869	7,347	$ 231,226	$ 31.47	$ 4.12	$ 3.46	$ 175,575	$ 210,002	$ 1,917,916
Gold									
777	19,615	28,084	$ 47,768	$ 1,701	$ 400	$ 773	$ 14,813	$ 40,507	$ 332,732
Other [7]	6,785	4,876	8,247	1,691	303	171	5,937	8,052	30,586
	26,400	32,960	$ 56,015	$ 1,699	$ 386	$ 684	$ 20,750	$ 48,559	$ 363,318
Silver equivalent [8]	8,301	9,131	$ 287,241	$ 31.46	$ 4.70	$ 5.25	$ 196,325	$ 258,561	$ 2,281,234
Corporate									
General and administrative							$ (9,159)		
Other							(9,422)		
Total corporate							$ (18,581)	$ (4,535)	$ 908,103
	8,301	**9,131**	**$ 287,241**	**$ 31.46**	**$ 4.70**	**$ 5.25**	**$ 177,744**	**$ 254,026**	**$ 3,189,337**

1) All figures in thousands except gold ounces produced and sold and per ounce amounts.
2) Ounces produced represent the quantity of silver and gold contained in concentrate or doré prior to smelting or refining deductions. Production figures are based on information provided by the operators of the mining operations to which the silver or gold interests relate or management estimates in those situations where other information is not available. Certain production figures may be updated in future periods as additional information is received.
3) Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.
4) Results for San Dimas include 375,000 ounces received from Goldcorp in connection with Goldcorp's four year commitment to deliver to Silver Wheaton 1.5 million ounces of silver per annum resulting from their sale of San Dimas to Primero.
5) Comprised of the operating Lagunas Norte, Pierina and Veladero silver interests in addition to the non-operating Pascua-Lama silver interest.
6) Comprised of the operating Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777 and Aljustrel silver interests in addition to the non-operating Rosemont, Loma de La Plata and Constancia silver interests.
7) Comprised of the operating Minto gold interest in addition to the non-operating Rosemont gold interest.
8) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.

For the three months ended December 31, 2013, attributable silver equivalent production was 9.7 million ounces (7.3 million ounces of silver and 40,700 ounces of gold), compared with 8.3 million ounces (6.9 million ounces of silver and 26,400 ounces of gold) for the comparable period in 2012, with the 1.4 million ounce increase being primarily attributable to the following factors:

- 1,053,000 silver equivalent ounces of gold production (17,000 ounces of gold) from the recently acquired Sudbury and Salobo mines;
- 285,000 ounce (17%) increase related to the San Dimas mine, due to higher grades;
- 602,000 ounce (42%) increase related to the Peñasquito mine, due primarily to higher throughput and higher grades resulting from the completion of higher grade ore benches of Phase 4 and the implementation of operational improvements in the flotation cells;
- 182,000 silver equivalent ounce (49%) increase related to gold production at the Minto mine (2,700 gold ounces), due primarily to a combination of higher throughput and higher grades; partially offset by
- 226,000 ounce (10%) decrease related to Other mines, due primarily to silver production at the Campo Morado and Keno Hill mines, with operations at the Keno Hill mine being temporarily suspended in early September 2013;

- 200,000 silver equivalent ounce (19%) decrease related to gold production at the 777 mine (5,500 gold ounces), primarily due to lower grades; and
- 345,000 ounce (45%) decrease related to the Barrick mines, due primarily to lower grades at Veladero.

For the three months ended December 31, 2013, net earnings and cash flow from operations were $93.9 million and $124.6 million, respectively, compared with $177.7 million and $254.0 million for the comparable period in 2012, with the $83.8 million decrease in net earnings being primarily attributable to the following factors:

- $7.9 million increase related to payable silver production; and
- $4.9 million increase related to payable gold production; and
- $46.5 million decrease as a result of the timing of shipments of stockpiled concentrate and doré, primarily attributable to the following factors:
    i. $20.2 million decrease relating to the Peñasquito mine having stockpiled concentrate produced during the three months ended December 31, 2013 compared with having sold concentrate produced in prior periods during the comparable period of the prior year;
    ii. $9.0 million decrease relating to the Yauliyacu mine, which continues to have an inconsistent delivery schedule as a result ofthe shut-down of the Doe Run Peru La Oroya smelter;
    iii. $7.7 million decrease relating to Other mines, primarily attributable to the Zinkgruvan and Cozamin mines having stockpiled concentrate produced during the three months ended December 31, 2013 compared with having sold concentrate produced in prior periods during the comparable period of the prior year; and
    iv. $6.9 million decrease relating to gold production at the Minto mine having stockpiled concentrate produced during the three months ended December 31, 2013; and
- $72.3 million decrease due to a reduction in the operating margin per ounce, due primarily to a 33% decrease in the average realized selling price per silver equivalent ounce sold; and
- $22.2 million increase as a result of a decrease in corporate costs, as explained in the Corporate Costs section of this MD&A ($1.7 million decrease from a cash flow perspective).

	Year Ended December 31, 2013								
	Ounces Produced[2]	Ounces Sold	Sales	Average Realized Price ($'s Per Ounce)	Average Cash Cost ($'s Per Ounce)[3]	Average Depletion ($'s Per Ounce)	Net Earnings	Cash Flow From Operations	Total Assets
Silver									
San Dimas [4]	6,542	6,675	$ 157,150	$ 23.54	$ 4.15	$ 0.82	$ 124,003	$ 129,447	$ 157,492
Yauliyacu	2,618	1,395	33,053	23.69	4.12	5.75	19,293	27,311	207,277
Peñasquito	6,216	5,317	126,587	23.81	4.02	2.82	90,229	105,213	472,289
Barrick [5]	2,185	2,157	56,834	26.35	3.90	3.04	41,860	49,597	601,107
Other [6]	9,193	7,279	170,963	23.49	4.23	4.37	108,303	141,020	549,927
	26,754	22,823	$ 544,587	$ 23.86	$ 4.12	$ 2.93	$ 383,688	$ 452,588	$ 1,988,092
Gold									
777	66,330	65,758	$ 91,412	$ 1,390	$ 400	$ 802	$ 12,398	$ 61,136	$ 280,026
Sudbury	32,947	17,380	23,001	1,324	400	829	1,639	16,050	1,322,483
Salobo	29,147	16,947	22,552	1,331	400	462	7,945	15,774	609,454
Other [7]	22,617	17,234	24,920	1,446	305	137	17,297	19,923	28,429
	151,041	117,319	$ 161,885	$ 1,380	$ 386	$ 659	$ 39,279	$ 112,883	$ 2,240,392
Silver equivalent [8]	35,823	29,963	$ 706,472	$ 23.58	$ 4.65	$ 4.81	$ 422,967	$ 565,471	$ 4,228,484
Corporate									
General and administrative							$ (35,308)		
Other							(12,164)		
Total corporate							$ (47,472)	$ (31,338)	$ 161,360
	35,823	**29,963**	**$ 706,472**	**$ 23.58**	**$ 4.65**	**$ 4.81**	**$ 375,495**	**$ 534,133**	**$ 4,389,844**

1) All figures in thousands except gold ounces produced and sold and per ounce amounts.
2) Ounces produced represent the quantity of silver and gold contained in concentrate or doré prior to smelting or refining deductions. Production figures are based on information provided by the operators of the mining operations to which the silver or gold interests relate or management estimates in those situations where other information is not available. Certain production figures may be updated in future periods as additional information is received.
3) Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.
4) Results for San Dimas include 1.5 million ounces received from Goldcorp in connection with Goldcorp's four year commitment to deliver to Silver Wheaton 1.5 million ounces of silver per annum resulting from their sale of San Dimas to Primero.
5) Comprised of the operating Lagunas Norte, Pierina and Veladero silver interests in addition to the non-operating Pascua-Lama silver interest.
6) Comprised of the operating Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777 and Aljustrel silver interests in addition to the non-operating Rosemont, Loma de La Plata and Constancia silver interests.
7) Comprised of the operating Minto gold interest in addition to the non-operating Rosemont and Constancia gold interests.
8) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.

	Year Ended December 31, 2012									
	Ounces Produced[2]	Ounces Sold	Sales	Average Realized Price ($'s Per Ounce)	Average Cash Cost ($'s Per Ounce)[3]	Average Depletion ($'s Per Ounce)	Net Earnings	Cash Flow From Operations	Total Assets
Silver									
San Dimas [4]	5,905	5,803	$ 181,906	$ 31.35	$ 4.11	$ 0.79	$ 153,469	$ 158,060	$ 162,936
Yauliyacu	2,412	2,933	86,185	29.38	4.07	5.02	59,531	80,077	215,295
Peñasquito	6,572	5,980	186,085	31.12	3.99	2.96	144,524	162,225	487,272
Barrick [5]	2,471	2,480	78,359	31.60	3.90	4.34	57,926	69,504	597,736
Other [6]	9,309	7,654	238,633	31.18	4.11	3.74	178,486	204,206	454,677
	26,669	24,850	$ 771,168	$ 31.03	$ 4.06	$ 3.08	$ 593,936	$ 674,072	$ 1,917,916
Gold									
777	31,439	28,084	$ 47,768	$ 1,701	$ 400	$ 773	$ 14,812	$ 40,507	$ 332,732
Other [7]	19,043	18,010	30,624	1,700	303	171	22,094	25,059	30,586
	50,482	46,094	$ 78,392	$ 1,701	$ 362	$ 538	$ 36,906	$ 65,566	$ 363,318
Silver equivalent [8]	29,372	27,328	$ 849,560	$ 31.09	$ 4.30	$ 3.70	$ 630,842	$ 739,638	$ 2,281,234
Corporate									
General and administrative							$ (30,839)		
Other							(13,967)		
Total corporate							$ (44,806)	$ (20,234)	$ 908,103
	29,372	**27,328**	**$ 849,560**	**$ 31.09**	**$ 4.30**	**$ 3.70**	**$ 586,036**	**$ 719,404**	**$ 3,189,337**

All figures in thousands except gold ounces produced and sold and per ounce amounts.

1)

2) Ounces produced represent the quantity of silver and gold contained in concentrate or doré prior to smelting or refining deductions. Production figures are based on information provided by the operators of the mining operations to which the silver or gold interests relate or management estimates in those situations where other information is not available. Certain production figures may be updated in future periods as additional information is received.

3) Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.

4) Results for San Dimas include 1.5 million ounces received from Goldcorp in connection with Goldcorp's four year commitment to deliver to Silver Wheaton 1.5 million ounces of silver per annum resulting from their sale of San Dimas to Primero.

5) Comprised of the operating Lagunas Norte, Pierina and Veladero silver interests in addition to the non-operating Pascua-Lama silver interest.

6) Comprised of the operating Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777 and Aljustrel silver interests in addition to the non-operating Rosemont, Loma de La Plata and Constancia silver interests.

7) Comprised of the operating Minto gold interest in addition to the non-operating Rosemont gold interest.

8) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.

For the year ended December 31, 2013, attributable silver equivalent production was 35.8 million ounces (26.8 million ounces of silver and 151,000 ounces of gold), compared with 29.4 million ounces (26.7 million ounces of silver and 50,500 ounces of gold) for the comparable period in 2012, with the 6.5 million ounce increase being primarily attributable to the following factors:

- 6.0 million silver equivalent ounces of gold production (97,000 ounces of gold) from the 777 gold interest, which was acquired in August 2012, along with the Sudbury and Salobo gold interests, which were acquired in early 2013;
- 637,000 silver ounce (11%) increase related to the San Dimas mine, due primarily to higher grades which resulted from reduced mining dilution as well as the mining of high grade pillars; partially offset by
- 355,000 silver ounce (5%) decrease related to the Peñasquito mine, due primarily to lower grades, partially offset by higher processed tonnage; and
- 285,000 silver ounce (12%) decrease related to the Barrick mines, primarily due to lower grades at Veladero.

For the year ended December 31, 2013, net earnings and cash flow from operations were $375.5 million and $534.1 million, respectively, compared with $586.0 million and $719.4 million for the comparable period in 2012, with the $210.5 million decrease in net earnings being primarily attributable to the following factors:

- $10.5 million decrease related to a 1% decrease in payable silver ounces produced during the year ended December 31, 2013; and
- $37.8 million increase related to payable gold production; and
- $43.1 million decrease as a result of the timing of shipments of stockpiled concentrate and doré, primarily attributable to:
    i. $34.8 million decrease relating to the Yauliyacu mine, which continues to have an inconsistent delivery schedule;
    ii. $8.4 million decrease relating to the Peñasquito mine having stockpiled concentrate produced during the year ended December 31, 2013 compared with having sold concentrate produced in prior periods during the comparable period of the prior year;
    iii. $5.1 million decrease relating to gold production at the Minto mine having stockpiled concentrate produced during the year ended December 31, 2013; and
    iv. $5.1 million decrease relating to the Salobo mine having stockpiled concentrate produced during the year ended December 31, 2013; partially offset by
    v. $6.3 million increase relating to the San Dimas mine having sold doré produced in prior periods during the year ended December 31, 2013 as compared to stockpiling doré during the comparable period of the previous year; and
    vi. $4.0 million increase relating to the Other mines, primarily attributable to the Campo Morado and Neves-Corvo mines; and
- $192.1 million decrease due to a reduction in the operating margin per ounce, due primarily to a 23% decrease in the average realized selling price per silver equivalent ounce sold; and
- $2.7 million decrease as a result of an increase in corporate costs, as explained in the Corporate Costs section of this MD&A ($11.1 million decrease from a cash flow perspective).

Corporate Costs

(in thousands)	Three Months Ended December 31		Year Ended December 31	
	2013	2012	**2013**	2012
General and administrative	$ 7,150	$ 9,159	$ 35,308	$ 30,839
Foreign exchange (gain) loss	(233)	(57)	(348)	29
Interest expense	1,226	-	6,083	-
Other expense (income)	920	1,335	11,550	(817)
Income tax (recovery) expense	(12,678)	8,144	(5,121)	14,755
Total corporate costs	$ (3,615)	$ 18,581	$ 47,472	$ 44,806

General and Administrative

(in thousands)	Three Months Ended December 31		Year Ended December 31	
	2013	2012	**2013**	2012
Salaries and benefits				
Salaries and benefits, excluding PSUs	$ 2,926	$ 3,663	$ 11,522	$ 10,173
PSUs	(803)	472	646	1,685
Total salaries and benefits	$ 2,123	$ 4,135	$ 12,168	$ 11,858
Depreciation	71	49	240	228
Charitable donations	81	649	2,710	1,857
Professional fees	694	840	3,981	2,981
Other	1,903	1,914	7,820	7,495
Cash settled general and administrative	$ 4,872	$ 7,587	$ 26,919	$ 24,419
Equity settled stock based compensation (a non-cash expense)	2,278	1,572	8,389	6,420
Total general and administrative	$ 7,150	$ 9,159	$ 35,308	$ 30,839

For the three months ended December 31, 2013, general and administrative expense decreased by $2.0 million relative to the comparable period in the previous year, with the decrease being primarily due to lower charitable donations in addition to the reversal of accrued costs associated with the Company's performance share unit plan.

For the year ended December 31, 2013, general and administrative expense increased by $4.5 million relative to the comparable period in the previous year, with this increase being primarily attributable to increases in charitable donations, professional fees and salaries and benefits (including stock based compensation). The increase in salaries and benefits is primarily attributable to the increase in the number of employees from an average of 25 during 2012 as compared to an average of 28 during 2013.

Other Expense (Income)

(in thousands)	Three Months Ended December 31		Year Ended December 31	
	2013	2012	**2013**	2012
Dividend income	$ (57)	$ (23)	$ (227)	$ (80)
Interest income	(15)	(238)	(204)	(1,222)
Stand-by fees	721	214	2,758	897
Loss (gain) on long-term investments - share purchase warrants held	-	1,441	2,694	(496)
Amortization of credit facility origination fees - undrawn facilities	253	-	1,910	-
Write off of credit facility origination fees upon the cancellation of the Bridge Facility	-	-	4,490	-
Other	18	(59)	129	84
Total other expense (income)	$ 920	$ 1,335	$ 11,550	$ (817)

During the three months and year ended December 31, 2013, other expense was $0.9 million and $11.6 million, respectively, as compared to other expense of $1.3 million and other income of $0.8 million during the comparable periods of the previous year, with the change during the twelve month period being primarily the result of:

- A $2.7 million unrealized loss related to the fair value adjustment in warrants held during the current period as compared to a $0.5 million unrealized gain during the comparable period of the previous year;
- As further explained in Note 12 to the financial statements, on February 28, 2013, the Company entered into two new unsecured credit facilities, comprised of (i) a $1 billion revolving credit facility having a 5-year term; and (ii) a $1.5 billion bridge financing facility having a 1-year term (the "Bridge Facility"). The Company paid

upfront costs of $11.7 million in connection with these new facilities which have been recorded under Other assets and are being amortized over the life of the respective credit facilities. On May 28, 2013, the Bridge Facility was terminated, with the remaining unamortized upfront costs of $4.5 million associated with this credit facility being fully expensed on that date;

- The amortization of debt origination fees in the amount of $1.9 million during the current period associated with the undrawn portion of the Bridge Facility and the Revolving Facility; and
- Stand-by fees in the amount of $2.8 million during the current period as compared to $0.9 during the comparable period of the previous year, with the increase being primarily attributable to the Company replacing its pre-existing $400 million revolving credit facility with the new $1 billion Revolving Facility on February 28, 2013 (see above), which was fully undrawn as at December 31, 2013.

Interest Costs

During the three months ended December 31, 2013, the Company incurred interest costs of $4.4 million at an effective interest rate of 1.70%, of which $3.2 million has been capitalized in relation to the Barrick and Constancia silver interests, with the remainder being expensed. During the three months ended December 31, 2012, the Company incurred interest costs of $0.1 million at an effective interest rate of 1.11%, all of which was capitalized in relation to the Barrick silver interest.

During the year ended December 31, 2013, the Company incurred interest costs of $18.0 million on bank debt at an effective interest rate of 2.04%, of which $11.9 million has been capitalized in relation to the Barrick and Constancia silver interests, with the remainder being expensed. During the year ended December 31, 2012, the Company incurred interest costs of $7.4 million, comprised of $0.7 million on bank debt at an effective interest rate of 1.12%, and $6.7 million of accreted interest on the future payments due in relation to the Barrick silver interest. All of the interest costs incurred during the year ended December 31, 2012 were capitalized in relation to the Barrick silver interest.

Income Tax Expense

	Three Months Ended December 31		Year Ended December 31	
(in thousands)	**2013**	2012	**2013**	2012
Current income tax expense related to foreign jurisdictions	$ 40	$ 40	$ 154	$ 725
Deferred income tax expense (recovery) related to:				
Origination and reversal of temporary differences	$ (12,718)	$ 6,159	$ (7,381)	$ 11,614
Write down (reversal of write down) of previously recognized temporary differences	-	1,945	2,106	2,416
	$ (12,718)	$ 8,104	$ (5,275)	$ 14,030
Total income tax (recovery) expense	$ (12,678)	$ 8,144	$ (5,121)	$ 14,755

For the three months and year ended December 31, 2013, income tax expense decreased by $20.8 and $19.9 million, respectively, relative to the comparable periods in the previous year. Income tax expense is, for the most part, comprised of the change in deferred income tax assets recognized, which is primarily affected by the change in unrealized gains in long-term investments in common shares held, and the change in deferred income tax expense associated with income from Canadian operations. In addition, during the three months ended December 31, 2013, the Company changed its estimated tax rate associated with the temporary difference related to capitalized interest on certain of the Company's precious metal purchase agreements, resulting in the reversal of a deferred tax liability in the amount of $9.9 million for the year ended December 31, 2013.

Non-IFRS Measures

Silver Wheaton has included, throughout this document, certain non-IFRS performance measures, including (i) operating cash flow per share (basic and diluted); (ii) average cash costs of silver and gold on a per ounce basis; and (iii) cash operating margin.

i. Operating cash flow per share (basic and diluted) is calculated by dividing cash generated by operating activities by the weighted average number of shares outstanding (basic and diluted). The Company presents operating cash flow per share as management and certain investors use this information to evaluate the Company's performance in comparison to other companies in the precious metals mining industry who present results on a similar basis.

   The following table provides a reconciliation of operating cash flow per share (basic and diluted).

	Three Months Ended December 31		Year Ended December 31	
(in thousands, except for per share amounts)	**2013**	2012	**2013**	2012
Cash generated by operating activities	$ 124,591	$ 254,026	$ 534,133	$ 719,404
Divided by:				
Basic weighted average number of shares outstanding	357,389	354,301	355,588	353,874
Diluted weighted average number of shares outstanding	357,869	356,566	356,595	356,008
Equals:				
Operating cash flow per share - basic	$ 0.35	$ 0.72	$ 1.50	$ 2.03
Operating cash flow per share - diluted	$ 0.35	$ 0.71	$ 1.50	$ 2.02

ii. Average cash cost of silver and gold on a per ounce basis is calculated by dividing the total cost of sales, less depletion, by the ounces sold. In the precious metals mining industry, this is a common performance measure but does not have any standardized meaning. In addition to conventional measures prepared in accordance with IFRS, management and certain investors use this information to evaluate the Company's performance and ability to generate cash flow.

The following table provides a reconciliation of average cash cost of silver and gold on a per ounce basis.

	Three Months Ended December 31		Year Ended December 31	
(in thousands, except for gold ounces sold and per ounce amounts)	**2013**	2012	**2013**	2012
Cost of sales	$ 77,131	$ 90,916	$ 283,505	$ 218,718
Less: depletion	(39,694)	(47,968)	(144,153)	(101,229)
Cash cost of sales	$ 37,437	$ 42,948	$ 139,352	$ 117,489
Cash cost of sales is comprised of:				
Total cash cost of silver sold	$ 25,121	$ 30,237	$ 94,054	$ 100,798
Total cash cost of gold sold	12,316	12,711	45,298	16,691
Total cash cost of sales	$ 37,437	$ 42,948	$ 139,352	$ 117,489
Divided by:				
Total silver ounces sold	6,064	7,347	22,823	24,850
Total gold ounces sold	31,224	32,960	117,319	46,094
Total silver equivalent ounces sold [1]	7,973	9,131	29,963	27,328
Equals:				
Average cash cost of silver (per ounce)	$ 4.14	$ 4.12	$ 4.12	$ 4.06
Average cash cost of gold (per ounce)	$ 394	$ 386	$ 386	$ 362
Average cash cost (per silver equivalent ounce [1])	$ 4.70	$ 4.70	$ 4.65	$ 4.30

1) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.

iii. Cash operating margin is calculated by subtracting the average cash cost of silver and gold on a per ounce basis from the average realized selling price of silver and gold on a per ounce basis. The Company presents cash operating margin as management and certain investors use this information to evaluate the Company's performance in comparison to other companies in the precious metals mining industry who present results on a similar basis.

The following table provides a reconciliation of cash operating margin.

	Three Months Ended December 31		Year Ended December 31	
(in thousands, except for per ounce amounts)	**2013**	2012	**2013**	2012
Average realized selling price of silver and gold				
Sales	$ 167,416	$ 287,241	$ 706,472	$ 849,560
Divided by - total silver equivalent ounces sold [1]	7,973	9,131	29,963	27,328
Equals - average realized price ($'s per silver equivalent ounce [1])	$ 21.00	$ 31.46	$ 23.58	$ 31.09
Less - average cash cost ($'s per silver equivalent ounce [1, 2])	(4.70)	(4.70)	(4.65)	(4.30)
Cash operating margin per silver equivalent ounce [1]	$ 16.30	$ 26.76	$ 18.93	$ 26.79

1) Gold ounces produced and sold are converted to a silver equivalent basis based on either (i) the ratio of the average silver price received to the average gold price received during the period from the assets that produce both gold and silver; or (ii) the ratio of the price of silver to the price of gold on the date of sale as per the London Bullion Metal Exchange for the assets which produce only gold.
2) Refer to discussion on non-IFRS measure (ii) on page 27 of this MD&A.

These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and other companies may calculate these measures differently. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Liquidity and Capital Resources[1]

As at December 31, 2013, the Company had cash and cash equivalents of $95.8 million (December 31, 2012 - $778.2 million) and working capital of $80.2 million (December 31, 2012 – working capital of $735.9 million).

On February 28, 2013, the Company entered into two new unsecured credit facilities, comprised of (i) a $1 billion Revolving Facility having a 5-year term; and (ii) a $1.5 billion Bridge Facility having a 1-year term. On May 28, 2013, the Company cancelled the Bridge Facility, replacing it with a $1 billion non-revolving term loan ("NRT Loan") with a 3-year term, extendable by 1 year with the unanimous consent of lenders. These facilities replaced the pre-existing $400 million revolving credit facility and the debt outstanding relative to the $200 million Term Loan.

During the year ended December 31, 2013, the Company generated operating cash flows of $534.1 million compared with $719.4 million during the comparable period of 2012, with the decrease being primarily related to a decrease in the price realized on the sale of silver equivalent ounces sold, partially offset by an increase in the number of silver equivalent ounces sold.

During the year ended December 31, 2013, the Company had net cash inflows from financing activities of $834.1 million, which was primarily the result of a net drawdown under the Company's credit facilities of $1.0 billion and $58.0 million in proceeds from share purchase options and share purchase warrants exercised during the period, partially offset by $14.0 million of upfront costs related to the new credit facilities and dividend payments totaling $160.0 million. During the year ended December 31, 2012, the Company had net cash outflows from financing activities of $139.5 million, which was comprised of dividend payments of $123.9 million and scheduled principal repayments of $28.6 million relating to the Company's previously outstanding term loan, partially offset by proceeds in the amount of $12.9 million from share purchase options and share purchase warrants exercised during the year.

During the year ended December 31, 2013, the Company had net cash outflows from investing activities of $2.1 billion, primarily related to (i) the upfront cash payment to Vale totaling $1.9 billion related to the Company's Salobo and Sudbury gold interests; (ii) a $125 million upfront cash payment to Hudbay related to the second installment on the Constancia silver interest, which was due once capital expenditures of $500 million had been incurred at Constancia; and (iii) a $13.5 million upfront cash payment to Sandspring associated with the Toroparu early deposit gold interest. During the year ended December 31, 2012, the Company had net cash outflows from investing activities of $641.9 million, which was primarily related to upfront payments to Hudbay totaling $500 million related to the Company's 777 silver and gold interest and Constancia silver interest, in addition to the scheduled final upfront payment of $137.5 million to Barrick.

In the opinion of management, the $95.8 million of cash and cash equivalents as at December 31, 2013, combined with the liquidity provided by the credit available under the undrawn $1 billion Revolving Facility and ongoing operating cashflows positions the Company well to fund all outstanding commitments as well as providing flexibility to acquire additional accretive precious metal stream interests.

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[1] Statements made in this section contain forward-looking information with respect to funding outstanding commitments and continuing to acquire accretive precious metal stream interests. Please see "Cautionary Note Regarding Forward-Looking Statements" for material risks, assumptions and important disclosure associated with this information.

Contractual Obligations and Contingencies[1]

Silver and Gold Interests

The following table summarizes the Company's commitments to pay for silver and gold to which it has the contractual right pursuant to the precious metal purchase agreements:

	Attributable Payable Production to be Purchased		Per Ounce Cash Payment [1, 2]			
Silver and Gold Interests	**Silver**	**Gold**	**Silver**	**Gold**	**Term of Agreement**	**Date of Contract**
San Dimas	100% [3]	0%	$ 4.16	n/a	Life of Mine	15-Oct-04
Yauliyacu	100% [4]	0%	$ 4.12	n/a	20 years	23-Mar-06
Peñasquito	25%	0%	$ 4.02	n/a	Life of Mine	24-Jul-07
777	100%	100%/50% [5]	$ 5.90[6]	$ 400[6]	Life of Mine	8-Aug-12
Salobo	0%	25%	n/a	$ 400	Life of Mine	28-Feb-13
Sudbury	0%	70%	n/a	$ 400	20 years	28-Feb-13
Barrick						
Pascua-Lama	25%	0%	$ 3.90	n/a	Life of Mine	8-Sep-09
Lagunas Norte	100%	0%	$ 3.90	n/a	6 years [7]	8-Sep-09
Pierina	100%	0%	$ 3.90	n/a	6 years [7]	8-Sep-09
Veladero	100% [8]	0%	$ 3.90	n/a	6 years [7]	8-Sep-09
Other						
Los Filos [3]	100%	0%	$ 4.20	n/a	25 years	15-Oct-04
Zinkgruvan	100%	0%	$ 4.21	n/a	Life of Mine	8-Dec-04
Stratoni	100%	0%	$ 4.06	n/a	Life of Mine	23-Apr-07
Minto	100%	100% [9]	$ 4.02	$ 309	Life of Mine	20-Nov-08
Cozamin	100%	0%	$ 4.16	n/a	10 years	4-Apr-07
Neves-Corvo	100%	0%	$ 4.06	n/a	50 years	5-Jun-07
Aljustrel	100%	0%	$ 4.02	n/a	50 years	5-Jun-07
Mineral Park	100%	0%	$ 3.94	n/a	Life of Mine	17-Mar-08
Campo Morado	75%	0%	$ 3.98	n/a	Life of Mine	13-May-08
Keno Hill	25%	0%	$ 3.90	n/a	Life of Mine	2-Oct-08
Rosemont	100%	100%	$ 3.90	$ 450	Life of Mine	10-Feb-10
Loma de La Plata	12.5%	0%	$ 4.00	n/a	Life of Mine	n/a [10]
Constancia	100%	50% [11]	$ 5.90[6]	$ 400[6]	Life of Mine	8-Aug-12
Early Deposit						
Toroparu	100%	10% [12]	n/a	$ 400	Life of Mine	11-Nov-13

1) Subject to an annual inflationary adjustment with the exception of Loma de La Plata and Sudbury.
2) Should the prevailing market price for silver or gold be lower than this amount, the per ounce cash payment will be reduced to the prevailing market price, with the exception of Yauliyacu.
3) Until August 6, 2014, Silver Wheaton is committed to purchase from Primero a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas and 50% of any excess, plus Silver Wheaton is committed to purchase an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp for a per ounce cash payment equal to that applicable under the Los Filos silver purchase agreement. After August 6, 2014, Silver Wheaton is committed to purchase from Primero a per annum amount equal to the first 6 million ounces of payable silver produced at San Dimas and 50% of any excess.
4) To a maximum of 4.75 million ounces per annum. In the event that silver sold and delivered to Silver Wheaton in any year totals less than 4.75 million ounces, the amount sold and delivered to Silver Wheaton in subsequent years will be increased to make up for any cumulative shortfall, to the extent production permits. The cumulative shortfall as at March 23, 2013, representing the seven year anniversary, was 15.2 million ounces.
5) The Company's share of gold production at 777 will remain at 100% until the later of the end of 2016 or the satisfaction of a completion test relating to Hudbay's Constancia project, after which it will be reduced to 50% for the remainder of the mine life.
6) Subject to an increase to $9.90 per ounce of silver and $550 per ounce of gold after the initial 40 year term.
7) The Company is committed to purchase silver production from the currently producing mines until December 31, 2016.
8) Silver Wheaton's attributable silver production is subject to a maximum of 8% of the silver contained in the ore processed at Veladero during the period.
9) The Company is committed to acquire 100% of the first 30,000 ounces of gold produced per annum and 50% thereafter.
10) Terms of the agreement not yet finalized.
11) Gold recoveries will be set at 55% for the Constancia deposit and 70% for the Pampacancha deposit until 265,000 ounces of gold have been delivered to the Company.
12) During the 90 day period following the delivery of a bankable definitive feasibility study, environmental study and impact assessment, and other related documents (collectively, the "Feasibility Documentation"), or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

[1] Statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" for material risks, assumptions and important disclosure associated with this information.

Other Contractual Obligations and Contingencies

(in thousands)	Obligations With Scheduled Payment Dates					Other	
	2014	2015 - 2017	2018 - 2019	After 2019	**Sub-Total**	Commitments	**Total**
Bank debt [1]	$ -	$ 1,000,000	$ -	$ -	**$ 1,000,000**	$ -	**$ 1,000,000**
Interest [2]	14,620	23,620	-	-	**38,240**	-	**38,240**
Silver and gold interest payments [3]							
Rosemont [4]	-	-	-	-	**-**	231,150	**231,150**
Loma de La Plata	-	-	-	-	**-**	32,400	**32,400**
Constancia	-	-	-	-	**-**	260,000	**260,000**
Toroparu	-	-	-	-	**-**	135,000	**135,000**
Operating leases	485	3,500	2,162	5,680	**11,827**	-	**11,827**
Total contractual obligations	$ 15,105	$ 1,027,120	$ 2,162	$ 5,680	**$ 1,050,067**	$ 658,550	**$ 1,708,617**

1) At December 31, 2013, the Company had $1.0 billion outstanding on the NRT Loan and $Nil outstanding on the Revolving Facility.
2) As the applicable interest rates are floating in nature, the interest charges are estimated based on market-based forward interest rate curves at the end of the reporting period.
3) Does not reflect the contingent payment due related to the Salobo gold purchase agreement (see the Salobo section, below).
4) Includes contingent transaction costs of $1.1 million.

Rosemont

In connection with the Rosemont precious metal purchase agreement, the Company is committed to pay Augusta total upfront cash payments of $230 million, payable on an installment basis to partially fund construction of the Rosemont mine once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete construction of the mine.

Loma de La Plata

In connection with the Company's election to convert the debenture with Pan American into a silver purchase agreement, the Company is committed to pay Pan American total upfront cash payments of $32.4 million following the satisfaction of certain conditions, including Pan American receiving all necessary permits to proceed with the mine construction.

Constancia

In connection with the Constancia precious metal purchase agreement, the Company is committed to pay Hudbay additional payments of $125 million and $135 million to be made once capital expenditures of $1 billion and $1.35 billion, respectively, have been incurred at Constancia. Silver Wheaton has the option to make the $135 million payment in either cash or Silver Wheaton shares, with the number of shares to be determined at the time the payment is made[1].

Salobo

Vale is in the process of expanding the mill throughput capacity at the Salobo mine to 24 million tonnes per annum ("Mtpa") from its current 12 Mtpa. If throughput capacity is expanded above 28 Mtpa within a predetermined period, Silver Wheaton will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 Mtpa by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 Mtpa prior to January 1, 2021.

Toroparu

In connection with the Toroparu early deposit precious metal purchase agreement, the Company is committed to pay Sandspring additional payments of $135 million on an installment basis to partially fund construction of the mine.

[1] If Silver Wheaton shares are used, the number of common shares will be calculated based on the volume weighted average trading price of the Company on the Toronto Stock Exchange for the ten consecutive trading days immediately prior to the date the consideration is payable.

During the 90 day period following the delivery of the Feasibility Documentation, or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

Other[1]

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time, including an audit (the "CRA Audit") by the Canada Revenue Agency (the "CRA") of the Company's international transactions covering the 2005 to 2010 taxation years, which is currently ongoing. The Company has not received any notice of reassessment for the 2005 to 2010 taxation years in connection with the CRA Audit. In the event that CRA issues one or more notices of reassessment for material amounts of tax, interest and penalties, the Company is prepared to vigorously defend its position.

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. Based on information available to management at March 20, 2014, the outstanding legal and tax matters are not expected to have a material adverse effect on the Company. However, if the Company is unable to resolve any of these matters favorably, or if CRA issues one or more notices of reassessment for material amounts of tax, interest and penalties, there may be a material adverse impact on the Company's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements in the appropriate period relative to when such changes occur.

Share Capital

During the year ended December 31, 2013, the Company received cash proceeds of $6.4 million from the exercise of 415,133 share purchase options at a weighted average exercise price of Cdn$15.65 per option. For the comparable period in 2012, the Company received cash proceeds of $11.0 million from the exercise of 721,632 share purchase options at a weighted average exercise price of Cdn$15.17 per option.

During the year ended December 31, 2013, the Company received cash proceeds of $51.7 million from the exercise of 2,586,794 share purchase warrants at a weighted average exercise price of $20.00 per warrant. For the comparable period in 2012, the Company received cash proceeds of $1.9 million from the exercise of 93,897 share purchase warrants with an exercise price of $20.00 per warrant.

As of March 20, 2014, there were 357,396,778 outstanding common shares, 3,029,762 share purchase options, 148,692 restricted share units and 10,000,000 share purchase warrants.

Risks and Uncertainties

The primary risk factors affecting the Company are set forth below. For discussion of additional risk factors, please refer to the Company's Annual Information Form, which is available on the Company's website, www.silverwheaton.com, and on SEDAR, www.sedar.com, or is available upon request from the Company.

Commodity Prices

The price of the common shares and the Company's financial results may be significantly adversely affected by a decline in the price of silver or gold. The price of silver and gold fluctuates widely, especially in recent years, and is affected by numerous factors beyond the Company's control, including, but not limited to, the sale or purchase of silver and gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major silver and gold producing countries throughout the world.

[1]The assessment by management of the expected impact of the CRA Audit on the Company is "forward-looking information". Statements in respect of the impact of the CRA Audit are based on the expectation that the Company will be successful in challenging any assessment by CRA. Statements in respect of the CRA Audit are subject to known and unknown risks including that the Company's interpretation of, or compliance with, tax laws, is found to be incorrect. Please see "Cautionary Note Regarding Forward-Looking Statements" for material risks, assumptions and important disclosure associated with this information.

In the event that the prevailing market price of silver or gold is at or below the price at which the Company can purchase such pursuant to the terms of the agreements associated with its silver and gold interests, the Company will not generate positive cash flow or earnings.

The "Mining Operations" consist of the San Dimas mine, the Zinkgruvan mine, the Yauliyacu mine, the Stratoni mine, the Mineral Park mine, the Los Filos mine, the Peñasquito mine, the Campo Morado mine, the Keno Hill mine, the Neves-Corvo mine, the Cozamin mine, the Minto mine, the Barrick mines (including the Pascua-Lama project), the Aljustrel mine, the 777 mine, the Salobo mine, the Sudbury mines, the Rosemont project, the Loma de La Plata project, the Constancia project and the Toroparu project. Silver and gold are by-product metals at all of the Mining Operations, other than at the Keno Hill mine, the Loma de La Plata project and the Toroparu project, and therefore, the economic cut-off applied to the reporting of silver and gold reserves and resources will be influenced by changes in the commodity prices of other metals at the mines.

Risks Relating to Mining Operations

To the extent that they relate to the production of silver and gold from, or the continued operation of, the Mining Operations, the Company will be subject to the risk factors applicable to the operators of such mines or projects, including the following as more fully described in the Company's Annual Information Form: government regulations; international operations; exploration, development and operating risks; environmental regulation; permitting; compliance with laws; infrastructure; mineral reserve and mineral resource estimates; need for additional mineral reserves; land title; commodity price fluctuations; additional capital; and permitting, construction, development and expansion risk.

No Control Over Mining Operations

The Company has agreed to purchase a certain percentage of the silver and / or gold produced by the Mining Operations. The Company is not directly involved in the ownership or operation of mines and has no contractual rights relating to the operation of the Mining Operations. As a result, the cash flow of the Company is dependent upon the activities of third parties which creates the risk that at any time those third parties may: (i) have business interests or targets that are inconsistent with those of the Company, (ii) take action contrary to the Company's policies or objectives, (iii) be unable or unwilling to fulfill their obligations under their agreements with the Company, or (iv) experience financial, operational or other difficulties, including insolvency, which could limit a third party's ability to perform its obligations under the precious metal purchase agreements. Except in limited circumstances, the Company will not be entitled to any material compensation if such operations do not meet their forecasted silver or gold production targets in any specified period or if the operations shut down, suspend or discontinue on a temporary or permanent basis. There can be no assurance that the silver or gold production from such properties will ultimately meet forecasts or targets. At any time, any of the operators of the Mining Operations may decide to suspend or discontinue operations.

Taxes

A significant portion of the Company's operating profit is derived from its subsidiaries, Silver Wheaton (Caymans) Ltd. which is incorporated and operated in the Cayman Islands and, historically, Silverstone Resources (Barbados) Corp, which was incorporated and operated in Barbados, such that the Company's profits are subject to low income tax.

The introduction of new tax laws or regulations, or changes to, or differing interpretation of, or application of, existing tax laws or regulations in Canada, the Cayman Islands, Luxembourg, Barbados, the Netherlands or any of the countries in which the Mining Operations are located or to which shipments of silver or gold are made, could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. Due to the size, complexity and nature of the Company's operations, various tax matters are outstanding from time to time, including an audit by the CRA of the Company's international transactions covering the 2005 to 2010 taxation years. No assurance can be given that new tax laws or regulations will not be enacted or that existing tax laws or regulations will not be changed, interpreted or applied in a manner which could have a material adverse effect on the Company.

Credit and Liquidity Risk

The Company is exposed to various counterparty risks and liquidity risks including, but not limited to: (i) through the companies with which the Company has precious metal purchase agreements; (ii) through financial institutions that hold the Company's cash and cash equivalents; (iii) through companies that have payables to the Company, including concentrate customers; (iv) through the Company's insurance providers; and (v) through the Company's lenders. The Company is also exposed to liquidity risks in meeting its operating expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of the Company to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Company.

If these risks materialize, the Company's operations could be adversely impacted and the trading price of the common shares could be adversely affected.

Hedging Risk

The Company has a policy that permits hedging its foreign exchange and interest rate exposures to reduce the risks associated with currency and interest rate fluctuations. The Company also has adopted a policy to allow the forward sale of forecast silver and gold deliveries provided that such sales shall not extend beyond the end of a financial quarter of the Company.

Hedging involves certain inherent risks including: (a) credit risk - the risk that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with the Company or adversely affect the financial and other terms the counterparty is able to offer the Company; (b) market liquidity risk – the risk that the Company has entered into a hedging position that cannot be closed out quickly, by either liquidating such hedging instrument or by establishing an offsetting position; (c) unrealized fair value adjustment risk – the risk that, in respect of certain hedging products, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring losses in respect of such hedging products being out of the money on their settlement dates.

There is no assurance that a hedging program designed to reduce the risks associated with currency and interest rate fluctuations will be successful. In the case of a silver and gold forward sales program, if the metal price rises above the price at which future production has been committed under a forward sales hedge program, the Company may have an opportunity loss. However, if the metal price falls below that committed price, revenues will be protected to the extent of such committed production. There can be no assurance that the Company will be able to achieve future realized prices for silver and gold that exceed the spot price as a result of any forward sales hedge program.

Competition

The Company competes with other companies for precious metal purchase agreements and similar transactions. Some of these companies may possess greater financial and technical resources than the Company. Such competition may result in the Company being unable to enter into desirable precious metal purchase agreements or similar transactions, to recruit or retain qualified employees or to acquire the capital necessary to fund its precious metal purchase agreements. Existing or future competition in the mining industry could materially adversely affect the Company's prospects for entering into additional precious metal purchase agreements in the future.

Acquisition Strategy

As part of the Company's business strategy, it has sought and will continue to seek new exploration, development and mining opportunities in the resource industry. In pursuit of such opportunities, the Company may fail to select appropriate acquisition candidates or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company. The Company cannot assure that it can complete any acquisition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions or business arrangements completed will ultimately benefit the Company.

In the event that the Company chooses to raise debt capital to finance any acquisition, the Company's leverage will be increased. In addition, if the Company chooses to complete an equity financing to finance any acquisition, shareholders may suffer dilution.

In addition, the introduction of new tax laws or regulations or accounting rules or policies or rating agency policies, or changes to, or differing interpretations of, or application of, existing tax laws or regulations or accounting rules or policies or rating agency policies, could make precious metal purchase agreements less attractive to counterparties. Such changes could adversely affect the Company's ability to enter into new precious metal purchase agreements.

Market Price of the Common Shares

The common shares are listed and posted for trading on the Toronto Stock Exchange and on the New York Stock Exchange. An investment in the Company's securities is highly speculative. Securities of companies involved in the resource industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. The price of the common shares are also likely to be significantly affected by short-term changes in silver and gold prices, the Company's financial condition or results of operations as reflected in its quarterly earnings reports, currency exchange fluctuations and the other risk factors identified herein.

Equity Price Risk

The Company is exposed to equity price risk as a result of holding long-term investments in other exploration and mining companies. Just as investing in the Company is inherent with risks such as those set out in this MD&A, by investing in these other companies, the Company is exposed to the risks associated with owning equity securities and those risks inherent in the investee companies. The Company does not actively trade these investments.

Dividend Policy

The declaration, timing, amount and payment of dividends is at the discretion of the Board of Directors. There can be no assurance that the Company will continue to declare a dividend on a quarterly, annual or other basis.

Dependence Upon Key Management Personnel

The Company is dependent on the services of a small number of key executives who are highly skilled and experienced. The loss of these employees or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Litigation

The Company is from time to time involved in various claims, legal proceedings and disputes arising in the ordinary course of business. If the Company is unable to resolve these disputes favorably, it may have a material adverse impact on the Company's financial performance, cash flow or results of operations.

Other Risks

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Note 2 of the Company's consolidated financial statements describes all of the significant accounting policies.

Silver and Gold Interests

Attributable Reserve and Resource Estimates

Silver and gold interests are significant assets of the Company, with a carrying value of $4.2 billion at December 31, 2013. This amount represents the capitalized expenditures related to the acquisition of the silver and gold interests, net of accumulated depletion. The Company estimates the reserves and resources relating to each agreement. Reserves are estimates of the amount of silver or gold that can be economically and legally extracted from the mining properties at which the Company has precious metal purchase agreements, adjusted where applicable to reflect the Company's percentage entitlement to silver and gold produced from such mines. The Company estimates its reserves and resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of the Company's silver and gold interests and depletion charges.

Depletion

As described above, the cost of these silver and gold interests is separately allocated to reserves, resources and exploration potential. The value allocated to reserves is classified as depletable and is depleted on a unit-of-sale basis over the estimated recoverable proven and probable reserves at the mine corresponding to the specific agreement. The value associated with resources and exploration potential is the value beyond proven and probable reserves at acquisition and is classified as non-depletable until such time as it is transferred to the depletable category as a result of the conversion of resources and / or exploration potential into reserves. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves. Changes in the estimated recoverable reserves, resources or exploration potential will directly impact the depletion rate used. Changes to depletion rates are accounted for prospectively.

Impairment of Assets

Management considers each precious metal purchase agreement to be a separate cash generating unit, which is the lowest level for which cash inflows are largely independent of those of other assets. At the end of each reporting period, the Company assesses each precious metal purchase agreement to determine whether any indication of impairment exists. If such an indication exists, the recoverable amount of the precious metal purchase agreement is estimated in order to determine the extent of the impairment (if any). The recoverable amount of each precious metal purchase agreement is the higher of fair value less costs to sell ("Fair Value Approach") and value in use ("Value-In-Use Approach").

Under the Fair Value Approach, the net asset value ("NAV") methodology is used to determine the fair value that could be received from each precious metal purchase agreement in an arm's length transaction at the measurement date. NAV is estimated by using an appropriate discount rate to calculate the present value of expected future cash flows associated with each mineral category. The discount rates used across the portfolio of precious metal purchase agreements range from 5% to 12%. The values are adjusted for each mineral category dependent on the likelihood of conversion from resources to reserves. A market multiple is applied to the NAV computed in order to assess the estimated fair value. Silver and precious metals companies typically trade at a market capitalization that is based on a multiple of their underlying NAV. Consequently, a market participant would generally apply a NAV multiple when estimating the fair value of a silver and gold interest.

Under the Value-In-Use Approach, the net present value ("NPV") methodology is used. NPV is estimated by using a nominal discount rate to calculate the present value of expected future cash flows. The nominal discount rate is based on the Company's weighted average cost of capital, adjusted for any differences assessed in the risk profile associated with the relevant precious metal purchase agreement relative to the risk profile associated with the overall portfolio of precious metal purchase agreements. The nominal discount rates used across the portfolio of precious metal purchase agreements range from 5% to 19%.

The expected future cash flows are management's best estimates of expected future revenues and costs. Under each method, expected future revenues reflect an estimate of future production for each mine at which the Company has a precious metal purchase agreement based on detailed life of mine plans received from each of the partners. Expected future revenues also reflect management's estimated long-term metal prices. Under the Fair Value Approach, silver and gold prices used range from $20 to $21 and $1,250 to $1,300, respectively. Under the Value-In-Use Approach, nominal silver and gold prices of $20 and $1,250 are used for the current year, with a 2% inflationary factor thereafter. Estimated future cash costs are fixed based on the terms of each precious metal purchase agreement, as disclosed in Note 21 to the financial statements.

If the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and an impairment charge is reflected as a component of net earnings so as to reduce the carrying amount to its recoverable value. A previously recognized impairment charge is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment charge was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depletion, had no impairment charge been recognized for the asset in prior years. Such reversal is reflected as a component of net earnings.

No impairment charge was required at December 31, 2013 and December 31, 2012

As part of the annual review of the recoverable amounts, the Company performs a sensitivity analysis on silver and gold prices, which are key assumptions that impact the impairment calculations. Assuming a negative 10% change relative to current silver and gold price assumptions, while holding all other assumptions constant, no impairment charge was required at December 31, 2013.

Valuation of Stock Based Compensation

The Company has various forms of stock based compensation, including share purchase options, restricted share units ("RSUs") and performance share units ("PSUs"). The calculation of the fair value of share purchase options, RSUs and PSUs issued requires the use of estimates as more fully described below.

The Company recognizes a stock based compensation expense for all share purchase options and RSUs awarded to employees, officers and directors based on the fair values of the share purchase options and RSUs at the date of grant. The fair values of share purchase options and RSUs at the date of grant are expensed over the vesting periods of the share purchase options and RSUs, respectively, with a corresponding increase to equity. The fair value of share purchase options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. Share purchase options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. The fair value of RSUs is the market value of the underlying shares at the date of grant.

At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revisions to this estimate in the consolidated statement of earnings.

The Company recognizes a stock based compensation expense for PSUs which are awarded to eligible employees and are settled in cash. The related expense is based on the value of the anticipated settlement and multiplier for current performance at the end of the associated performance periods. This estimated expense is reflected as a component of net earnings over the vesting period of the PSUs with the related obligation recorded as a liability on the balance sheet. The amount of compensation expense is adjusted at the end of each reporting period to reflect the fair market value of common shares and the number of PSUs anticipated to vest based on the anticipated performance factor.

Revenue Recognition

Revenue from the sale of silver and gold is recognized in the accounts when persuasive evidence of an arrangement exists, title and risk passes to the buyer, collection is reasonably assured and the price is reasonably determinable. Selling prices are determined at the point revenue is recognized by reference to active and freely traded commodity markets, for example the London Bullion Market for commodities, in an identical form to the product sold.

Where the Company acquires silver or gold in concentrate form, final silver or gold prices are set on a specified future quotational period (the "Quotational Period") pursuant to the concentrate sales contracts with third-party smelters, typically one to three months after the shipment date, based on market prices for silver or gold. Revenues and the associated cost of sales are recorded on a gross basis under these contracts at the time title passes to the buyer based on the forward price for the expected settlement period. The contracts, in general, provide for a provisional payment of 90% of the estimated value of the silver and/or gold sold under the concentrate sales contract based upon provisional assays and quoted silver and gold prices, with the 10% holdback being payable upon final settlement, which is based upon the average applicable price for the Quotational Period applied to the actual number of silver or gold ounces recovered calculated using confirmed smelter weights and settlement assays. This 10% holdback is reflected as a component of Accounts Receivable in the Company's consolidated balance sheet. Final settlement generally occurs from three to six months after shipment. The Company's provisionally priced sales contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of concentrates measured at the forward price at the time of sale. The embedded derivative does not qualify for hedge accounting. The embedded derivative is recorded on the balance sheet as a derivative asset in Accounts Receivable or as a derivative liability in Accounts Payable and Accrued Liabilities and is adjusted to fair value through revenue each period until the date of final settlement.

At December 31, 2013, the Company had outstanding provisionally priced sales of $6.6 million (December 31, 2012 - $12.7 million) where the quotational period pricing was estimated based on the forward price for silver. These sales consisted of 0.3 million ounces of silver (December 31, 2012 - 0.4 million ounces of silver) which had a fair value gain adjustment of approximately $0.2 million (December 31, 2012 - fair value loss adjustment of $1.1 million) associated with the embedded derivative. For each one cent per ounce increase or decrease in the realized silver price, revenue would increase or decrease by approximately $3,400 (December 31, 2012 - $3,800).

Financial Instruments

In order to mitigate the effect of short-term volatility in silver and gold prices, the Company will occasionally enter into forward contracts in relation to silver and gold deliveries that it is highly confident will occur within a given quarter. The Company does not hedge its long-term exposure to commodity prices. Other than these very short-term forward contracts, the Company has not used derivative financial instruments to manage the risks associated with its operations and therefore, in the normal course of business, it is inherently exposed to currency, interest rate and commodity price fluctuations. No forward contracts were outstanding at December 31, 2013 and December 31, 2012.

The Company owns equity interests in several publicly traded mineral exploration, development and mining companies as long-term investments and therefore is inherently exposed to various risk factors including currency risk, market price risk and liquidity risk.

Changes in Accounting Policies

IAS 1 - Presentation of Financial Statements (amended 2011)

In June 2011, the International Accounting Standards Board ("IASB") issued amendments to IAS 1 - Presentation of Financial Statements ("IAS 1") that require an entity to group items presented in the statement of other comprehensive income on the basis of whether they may be reclassified to profit or loss subsequent to initial recognition. For those items presented before tax, the amendments to IAS 1 also require that the tax related to the two separate groups be presented separately. The adoption of this amended standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 10 - Consolidated Financial Statements ("IFRS 10")

In May 2011, the IASB issued IFRS 10 - Consolidated Financial Statements to replace IAS 27 - Consolidated and Separate Financial Statements and SIC 12 - Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 11 - Joint Arrangements ("IFRS 11")

In May 2011, the IASB issued IFRS 11 - Joint Arrangements to replace IAS 31 - Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 12 - Disclosure of Interests in Other Entities ("IFRS 12")

In May 2011, the IASB issued IFRS 12 - Disclosure of Interests in Other Entities to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 13 - Fair Value Measurement

In May 2011, the IASB issued IFRS 13 - Fair Value Measurement as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

Future Changes in Accounting Policies

The IASB has issued the following new or amended standards:

Standards required to be applied for periods beginning on or after January 1, 2014:

- IAS 32 – Financial Instruments: Presentation (amended 2011)

Standards required with effective date to be determined:

- IFRS 9 (2013) – Financial Instruments (amended 2013): The IASB recently suspended the originally planned effective date of January 1, 2015 and at present the effective date has not been determined.

The Company adopted IFRS 9 (2009) – Financial Instruments effective January 1, 2010. Early adoption of the above standards is permitted.

Based upon its current facts and circumstances, the Company does not expect to be materially affected by the application of these new standards.

Subsequent Events

Declaration of Dividend

On March 20, 2014, the Board of Directors declared a dividend in the amount of $0.07 per common share as per the Company's stated dividend policy whereby the quarterly dividend will be equal to 20% of the average of the previous four quarters operating cash flow. This dividend is payable to shareholders of record on April 4, 2014 and is expected to be distributed on or about April 15, 2014.

Dividend Reinvestment Plan

On March 20, 2014, the Company announced that it will be implementing a dividend reinvestment plan whereby shareholders can elect to have dividends reinvested directly into additional Silver Wheaton common shares. It is intended that the plan will be effective commencing with the second dividend of 2014 which will be paid after the announcement of the First Quarter 2014 Earnings Results. The plan remains subject to regulatory approval.

Controls and Procedures

Disclosure Controls and Procedures

Silver Wheaton's management, with the participation of its Chief Executive Officer and Chief Financial Officer, has evaluated the design and effectiveness of Silver Wheaton's disclosure controls and procedures, as defined in the rules of the U.S. Securities and Exchange Commission and Canadian Securities Administrators, as of December 31, 2013. Based on that evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that Silver Wheaton's disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2013.

Internal Control Over Financial Reporting

The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's controls include policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Company's management and directors; and,
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual financial statements or interim financial statements.

There have been no changes in the Company's internal control over financial reporting during the year ended December 31, 2013 that would materially affect, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's management, including its Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's internal control over financial reporting using the framework and criteria established in *Internal Control – Integrated Framework (1992),* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, management has concluded that the internal control over financial reporting was effective at the reasonable assurance level as of December 31, 2013.

Limitation of Controls and Procedures

The Company's management, including its Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Attributable Reserves and Resources [1]

The following tables set forth the estimated Mineral Reserves and Mineral Resources (silver and/or gold only) for the mines relating to which the Company has purchase agreements, adjusted where applicable to reflect the Company's percentage entitlement to silver and/or gold produced from such mines, as of December 31, 2013, unless otherwise noted. The tables are based on information available to the Company as of the date of this document, and therefore will not reflect updates, if any, after such date. The most current Mineral Reserves and Mineral Resources will be available on the Company's website.

Attributable Proven and Probable Reserves [1,2,3,8,18]

As of December 31, 2013 unless otherwise noted [6]

	Proven			Probable			Proven & Probable			
	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz	Process Recovery % [7]
Silver										
Peñasquito (25%) [14]										
Mill	83.8	34.7	93.4	48.7	24.7	38.7	132.5	31.0	132.1	53-65%
Heap Leach	10.5	32.7	11.0	10.4	24.6	8.2	20.9	28.7	19.2	22-28%
San Dimas [10, 14]	0.9	345.2	10.3	4.0	307.3	39.2	4.9	314.5	49.5	94%
Pascua-Lama (25%) [14]	8.0	69.8	17.9	73.2	64.1	150.8	81.2	64.7	168.7	82%
Lagunas Norte [11]	9.8	3.8	1.2	52.1	3.8	6.4	61.9	3.8	7.6	19%
Veladero [11]	7.3	14.3	3.4	92.0	14.3	42.2	99.4	14.3	45.6	6%
Yauliyacu [11, 12]	1.1	106.0	3.6	3.3	110.0	11.7	4.4	109.0	15.3	85%
777 [13, 14]	5.0	27.3	4.4	6.4	28.5	5.9	11.4	28.0	10.3	64%
Neves-Corvo										
Copper	5.8	41.0	7.7	21.2	36.0	24.5	27.0	37.1	32.2	35%
Zinc	10.7	74.0	25.5	12.6	67.0	27.1	23.3	70.2	52.6	20%
Rosemont [15]	279.5	4.1	37.0	325.8	4.1	43.1	605.3	4.1	80.1	76%
Constancia	359.0	3.3	38.3	91.0	3.6	10.6	450.0	3.4	48.9	71%
Mineral Park [15]	189.5	2.8	16.9	145.2	3.0	14.0	334.7	2.9	30.9	49%
Zinkgruvan										
Zinc	8.5	86.0	23.5	3.3	51.0	5.4	11.8	76.2	28.9	87%
Copper	3.8	31.0	3.8	0.1	35.0	0.1	3.9	31.1	3.9	78%
Aljustrel										
Copper	2.2	19.2	1.3	8.4	15.3	4.1	10.6	16.1	5.5	25%
Campo Morado (75%)	0.8	158.2	4.0	0.2	133.3	0.6	0.9	154.3	4.7	45%
Stratoni	0.8	172.0	4.2	0.4	176.0	2.1	1.1	173.3	6.3	84%
Minto	6.0	5.1	1.0	7.0	5.2	1.2	13.0	5.1	2.2	78%
Cozamin [11]										
Copper	1.8	61.3	3.6	3.2	45.4	4.6	5.0	51.2	8.2	72%
Los Filos	67.2	5.6	12.2	243.2	5.4	42.3	310.4	5.5	54.5	5%
Total Silver			**324.1**			**482.9**			**807.0**	
Gold										
Salobo (25%) [16]	160.4	0.41	2.12	123.7	0.32	1.27	284.1	0.37	3.39	66%
Sudbury (70%) [11]	37.2	0.36	0.43	25.8	0.36	0.30	63.0	0.36	0.72	81%
777 [13, 14]	3.7	1.89	0.23	4.9	1.89	0.30	8.6	1.89	0.52	73%
Constancia (50%)	179.5	0.05	0.29	45.5	0.13	0.19	225.0	0.07	0.49	61%
Minto	6.0	0.66	0.13	7.0	0.54	0.12	13.0	0.60	0.25	74%
Toroparu (10%) [17]	3.0	1.10	0.10	9.7	0.98	0.31	12.7	1.01	0.41	89%
Total Gold			**3.30**			**2.49**			**5.79**	

Attributable Measured & Indicated Resources [1,2,3,4,5,9,18]

As of December 31, 2013 unless otherwise noted [6]

	Measured			Indicated			Measured & Indicated		
	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz	Tonnage Mt	Grade g/t	Contained Moz
Silver									
Peñasquito (25%) [14]									
Mill	8.1	23.5	6.1	62.1	30.8	61.5	70.2	30.0	67.6
Heap Leach	0.1	11.1	0.02	1.0	15.8	0.5	1.0	15.6	0.5
Pascua-Lama (25%) [14]	3.7	26.4	3.1	35.7	22.3	25.5	39.4	22.7	28.7
Yauliyacu [11, 12]	0.7	120.4	2.6	5.4	228.5	39.6	6.1	216.5	42.2
Neves-Corvo									
Copper	4.8	49.4	7.7	24.6	52.8	41.7	29.4	52.2	49.4
Zinc	13.3	60.5	25.9	55.3	55.3	98.3	68.6	56.3	124.2
Rosemont [15]	38.5	3.0	3.7	197.7	2.7	17.1	236.2	2.7	20.8
Constancia	119.3	2.3	8.6	344.1	2.0	21.9	463.3	2.0	30.5
Mineral Park [15]	-	-	-	539.4	2.3	40.5	539.4	2.3	40.5
Zinkgruvan									
Zinc	0.7	146.4	3.5	3.4	123.5	13.5	4.1	127.6	17.0
Copper	1.4	23.3	1.0	0.6	37.0	0.7	1.9	27.2	1.7
Aljustrel									
Zinc	1.3	65.6	2.7	20.5	60.3	39.7	21.8	60.7	42.4
Copper	-	-	-	0.1	11.7	0.04	0.1	11.7	0.04
Campo Morado (75%)	5.0	128.9	20.6	2.4	123.5	9.7	7.4	127.1	30.2
Stratoni	0.2	213.9	1.1	0.2	224.3	1.3	0.3	219.4	2.3
Minto	7.4	3.9	0.9	31.2	3.4	3.4	38.6	3.5	4.3
Keno Hill (25%)									
Underground	-	-	-	0.7	479.0	10.0	0.7	479.0	10.0
Elsa Tailings	-	-	-	0.6	119.0	2.4	0.6	119.0	2.4
Los Filos	9.9	11.5	3.6	71.4	7.1	16.2	81.3	7.6	19.8
Loma de La Plata (12.5%)	-	-	-	3.6	169.0	19.8	3.6	169.0	19.8
Total Silver			**91.2**			**463.2**			**554.4**
Gold									
Salobo (25%) [16]	12.3	0.47	0.19	48.8	0.37	0.58	61.1	0.39	0.77
Sudbury (70%) [11]	-	-	-	26.5	0.47	0.40	26.5	0.47	0.40
Constancia (50%)	59.6	0.04	0.07	172.0	0.03	0.19	231.7	0.03	0.26
Minto	7.4	0.44	0.10	31.2	0.32	0.32	38.6	0.34	0.42
Toroparu (10%) [17]	0.9	0.87	0.03	7.9	0.83	0.21	8.8	0.84	0.24
Total Gold			**0.39**			**1.70**			**2.09**

Attributable Inferred Resources [1,2,3,4,5,9,18]

As of December 31, 2013 unless otherwise noted [6]

	Inferred		
	Tonnage Mt	Grade g/t	Contained Moz
Silver			
Peñasquito (25%) [14]			
Mill	10.2	30.8	10.1
Heap Leach	0.4	14.5	0.2
San Dimas [10, 14]	7.3	309.5	73.0
Pascua-Lama (25%) [14]	4.9	20.1	3.2
Yauliyacu [11, 12]	5.8	180.8	33.5
777 [13, 14]	0.8	31.1	0.8
Neves-Corvo			
Copper	24.7	44.7	35.5
Zinc	22.5	51.0	36.9
Rosemont [15]	104.5	3.3	11.1
Constancia	222.9	1.9	13.4
Mineral Park [15]	362.2	2.7	31.1
Zinkgruvan			
Zinc	5.0	83.0	13.3
Copper	0.6	34.0	0.7
Aljustrel			
Zinc	8.7	50.4	14.0
Copper	4.7	16.0	2.4
Campo Morado (75%)	1.7	128.9	7.1
Stratoni	0.5	169.0	2.7
Minto	16.2	3.2	1.7
Keno Hill (25%)			
Underground	0.2	368.9	2.5
Los Filos	191.7	6.0	36.8
Loma de La Plata (12.5%)	0.2	76.0	0.4
Total Silver			**330.2**
Gold			
Salobo (25%) [16]	37.0	0.31	0.37
Sudbury (70%) [11]	12.6	0.47	0.19
777 [13, 14]	0.4	1.75	0.02
Constancia (50%)	111.5	0.03	0.13
Minto	16.2	0.34	0.18
Toroparu (10%) [17]	13.0	0.74	0.31
Total Gold			**1.19**

Notes:

1. All Mineral Reserves and Mineral Resources have been calculated in accordance with the CIM Standards and NI 43-101, or the AusIMM JORC equivalent.
2. Mineral Reserves and Mineral Resources are reported above in millions of metric tonnes (“Mt”), grams per metric tonne (“g/t”) and millions of ounces (“Moz”).
3. Individual qualified persons (“QPs”), as defined by the NI 43-101, for the technical information contained in this document (including the Mineral Reserve and Mineral Resource estimates) for the following operations are as follows:
    a. Salobo – Christopher Jacobs, CEng MIMMM (Vice President and Mining Economist), James Turner, CEng MIMMM (Senior Mineral Process Engineer), Barnard Foo, M.Eng., P. Eng., MBA (Senior Mining Engineer) and Jason Ché Osmond, FGS, C.Geol, EurGeol (Senior Geologist) all of whom are employees of Micon International Ltd.
    b. All other operations and development projects: the Company’s QPs Neil Burns, M.Sc., P.Geo. (Vice President, Technical Services); Samuel Mah, M.A.Sc., P.Eng. (Senior Director, Project Evaluations), both employees of the Company (the “Company’s QPs”).
4. The Mineral Resources reported in the above tables are exclusive of Mineral Reserves. The Minto, Campo Morado, Mineral Park, Neves-Corvo, Zinkgruvan and Aljustrel mines report Mineral Resources inclusive of Mineral Reserves. The Company’s QPs have made the exclusive Mineral Resource estimates for these mines based on average mine recoveries and dilution.
5. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.
6. Other than as detailed below, Mineral Reserves and Mineral Resources are reported as of December 31, 2013 based on information available to the Company as of the date of this document, and therefore will not reflect updates, if any, after such date.
    a. Resources and Reserves for 777, Sudbury, Cozamin, Minto and Campo Morado’s G-9 are reportedas of December 31, 2012.
    b. Resources and Reserves for Toroparu are reported as of March 31, 2013.
    c. Resources and Reserves for Neves-Corvo and Zinkgruvan are reported as of June 30, 2013.
    d. Resources and Reserves for Mineral Park are reported as of June 1, 2013.
    e. Resources and Reserves for Rosemont are reported as of August 28, 2012.
    f. Resources for the Constancia and Pampacancha deposits are reported as of August 23, 2011 and April 2, 2012, respectively. Reserves for both Constancia and Pampacancha deposits are reported as of August 8, 2012.
    g. Resources and Reserves for Aljustrel’s Feitais and Moinho deposits are reported as of November 30, 2010, Resources for the Estaçao deposit are reported as of December 31, 2007.
    h. Resources for Campo Morado’s El Largo, El Rey, Naranjo and Reforma deposits are reported as of October 13, 2005.
    i. Resources for Keno Hill’s Elsa Tailings are reported as of April 22, 2010, Lucky Queen and Onek deposits as of July 27, 2011, Bermingham as of June 27, 2012, Flame and Moth as of January 30, 2013, Bellekeno Inferred Resources as of May 31, 2012 and Bellekeno Indicated Resources as of September 30, 2013.
    j. Resources for Loma de La Plata are reported as of May 20, 2009.
7. Process recoveries are the average percentage of silver or gold in a saleable product (doré or concentrate) recovered from mined ore at the applicable site process plants as reported by the operators.
8. Mineral Reserves are estimated using appropriate process recovery rates and the following commodity prices:
    a. Peñasquito $1,300 per ounce gold, $22 per ounce silver, $3.00 per pound copper, $0.90 per pound lead and $0.90 per pound zinc.
    b. San Dimas - 2.7 grams per tonne Au equivalent cut-off assuming $1,250 per ounce gold and $20.00 per ounce silver.
    c. Pascua-Lama, Lagunas Norte and Veladero - $1,100 per ounce gold, $21.00 per ounce silver and $3.00 per pound copper.
    d. Yauliyacu - $22.00 per ounce silver, $3.27 per pound copper, $0.98 per pound lead and $0.91 per pound zinc.
    e. 777 – $1,250 per ounce gold, $25.00 per ounce silver, $2.75 per pound copper and $1.01 per pound zinc.
    f. Neves-Corvo – 1.6% Cu cut-off for the copper Reserve and 4.8% Zn cut-off for all the zinc Reserves.
    g. Rosemont - $4.90 per ton NSR cut-off assuming $20.00 per ounce silver, $2.50 per pound copper and $15.00 per pound molybdenum.
    h. Constancia - $1,150 per ounce gold, $23.00 per ounce silver, $2.75 per pound copper and $14.00 per pound molybdenum.
    i. Mineral Park – 0.21% Cu equivalent cut-off assuming $3.90 per ounce silver, $2.60 per pound copper and $9.95 per pound molybdenum.
    j. Zinkgruvan – 3.8% Zn equivalent cut-off for the zinc Reserve assuming $2.50 per pound copper and $1.00 per pound lead and zinc and 1.5% Cu cut-off for the copper Reserve.
    k. Aljustrel – 1.5% Cu cut-off for all copper Reserves, 4.5% Zn cut-off for all zinc Reserves.
    l. Campo Morado - $18.92 per ounce silver for the G-9 zones.
    m. Stratoni – 16.85% Zn equivalent assuming $1,250 per ounce gold, $16.50 per ounce silver, $3.00 per pound copper, $0.95 per pound lead and $0.86 per pound zinc.
    n. Minto – 0.5% Cu cut-off for Open Pit and $64.4 per tonne NSR cut-off for Underground assuming $300 per ounce gold, $3.90 per ounce silver and $2.50 per pound copper.
    o. Cozamin - $40 per tonne NSR cut-off assuming $20.00 per ounce silver, $2.50 per pound copper, $0.85 per pound lead and $0.80 per pound zinc.
    p. Los Filos - $1,300 per ounce gold and $22.00 per ounce silver.
    q. Salobo – 0.249% Cu equivalent cut-off assuming $1,200 per ounce gold and $3.45 per pound copper.
    r. Sudbury - $1,150 per ounce gold, $9.41 per pound nickel, $3.67 per pound copper, $1,650 per ounce platinum, $703 per ounce palladium and $15.66 per pound cobalt.
    s. Toroparu - $1,070 per ounce gold for fresh rock and $970 per ounce gold for saprolite.
9. Mineral Resources are estimated using appropriate recovery rates and the following commodity prices:
    a. Peñasquito - $1,500 per ounce gold, $24.00 per ounce silver, $3.50 per pound copper, $1.00 per pound lead and $1.00 per pound zinc.
    b. San Dimas – 0.2 grams per tonne Au equivalent assuming $1,300 per ounce gold and $20.00 per ounce silver.

c. Pascua-Lama – $1,500 per ounce gold, $24.00 per ounce silver and $3.50 per pound copper.

d. Yauliyacu – $22.00 per ounce silver, $3.27 per pound copper, $0.98 per pound lead and $0.91 per pound zinc.

e. 777 – $1,250 per ounce gold, $25.00 per ounce silver, $2.75 per pound copper and $1.01 per pound zinc.

f. Neves-Corvo – 1.0% Cu cut-off for the copper Resource and 3.0% Zn cut-off for the zinc Resource.

g. Rosemont – 0.30% Cu equivalent cut-off for Mixed and 0.15% Cu equivalent for Sulfide assuming $20.00 per ounce silver, $2.50 per pound copper and $15.00 per pound molybdenum.

h. Constancia – 0.12% Cu cut-off for Constancia and 0.20% Cu cut-off for Pampacancha.

i. Mineral Park – 0.126% Cu equivalent cut-off assuming $3.90 per ounce silver, $3.66 per pound copper and $13.65 per pound molybdenum.

j. Zinkgruvan – 3.8% Zn equivalent cut-off for the zinc Resource assuming $2.50 per pound copper and $1.00 per pound lead and zinc and 1.0% Cu cut-off for the copper Resource.

k. Aljustrel – 1.5% Cu cut-off for all copper Resources, 4.5% Zn cut-off for Feitais and Moinho zinc Resources and 4.0% for Estação zinc Resources.

l. Campo Morado – $18.92 per ounce silver for the G-9 zones and 5% Zn cut-off for the El Largo, El Rey, Naranjo and Reforma deposits.

m. Stratoni - $1,250 per ounce gold, $16.50 per ounce silver, $3.00 per pound copper, $0.95 per pound lead and $0.86 per pound zinc.

n. Minto – 0.5% Cu cut-off.

o. Cozamin – $35 per tonne NSR cut-off assuming $20.00 per ounce silver, $2.50 per pound copper, $0.85 per pound lead and $0.80 per pound zinc.

p. Keno Hill

i. Bellekeno and Flame and Moth - $185 per tonne NSR cut-off assuming $1,400 per ounce gold, $22.50 per ounce silver, $0.95 per ounce lead and $0.85 per ounce zinc.

ii. Bermingham - $185 per tonne NSR cut-off assuming $1,350 per ounce gold, $23.00 per ounce silver, $0.95 per pound lead and $0.85 per pound zinc.

iii. Lucky Queen and Onek - $185 per tonne NSR cut-off assuming $1,100 per ounce gold, $18.50 per ounce silver, $0.95 per pound lead and $0.90 per pound zinc.

iv. Elsa Tailings – 50 g/t Ag cut-off.

q. Los Filos - $1,500 per ounce gold and $24.00 per ounce silver.

r. Loma de La Plata – $12.50 per ounce silver and $0.50 per pound lead.

s. Salobo – 0.296% Cu equivalent assuming $1,500 per ounce gold $3.67 per pound copper.

t. Sudbury - $1,150 per ounce gold, $9.41 per pound nickel, $3.67 per pound copper, $1,650 per ounce platinum, $702 per ounce palladium and $15.66 per pound cobalt.

u. Toroparu - $1,350 per ounce gold.

10. The San Dimas silver purchase agreement provides that from August 6, 2010 until August 5, 2014, Primero Mining Corp. (“Primero”) will deliver to the Company a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas and 50% of any excess, plus the Company will receive an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp Inc. (“Goldcorp”). Beginning August 6, 2014, Primero will deliver to the Company a per annum amount equal to the first 6.0 million ounces of payable silver produced at San Dimas and 50% of any excess, for the life of the mine.

11. The Company’s attributable Resources and Reserves for Lagunas Norte, Veladero, Cozamin and Yauliyacu silver interests, in addition to the Sudbury and 777 gold interests, have been constrained to the production expected for the various contracts.

12. The Company’s Yauliyacu silver purchase agreement (March 2006) with Glencore International AG provides for the delivery of up to 4.75 million ounces of silver per year for 20 years. In the event that silver sold and delivered to Silver Wheaton in any year totals less than 4.75 million ounces, the amount sold and delivered to Silver Wheaton in subsequent years will be increased to make up for any cumulative shortfall, to the extent production permits. Depending upon production levels, it is possible that the Company’s current attributable tonnage may not be mined before the agreement expires.

13. The 777 purchase agreement provides that Hudbay Minerals Inc. (“Hudbay”) will deliver 100% of the payable silver for the life of the mine and 100% of the payable gold until completion of the Constancia project, after which the gold stream will reduce to 50%. The gold figures in this table represent the attributable 777 Resources and Reserves constrained to the production expected for the 777 contract.

14. The scientific and technical information in this document regarding Peñasquito, San Dimas and Pascua-Lama was sourced by the Company from the following SEDAR (www.sedar.com) filed documents:

a. Peñasquito - Goldcorp amended MD&A on February 14, 2014;

b. San Dimas - Primero news release filed on March 5, 2014; and

c. Pascua-Lama - Barrick Gold Corp. amended MD&A filed on March 6, 2014.

The Company QP’s have approved the disclosure of scientific and technical information in respect of Peñasquito, San Dimas and Pascua-Lama in this document.

15. The Mineral Park and Rosemont Resources and Reserves do not include the SX/EW leach material since this process does not recover silver.

16. The Company has filed a technical report for Salobo, which is available on SEDAR at www.sedar.com.

17. As more fully described in the Early Deposit Gold Interest section of the MD&A, the Company’s agreement with Sandspring is an early deposit structure whereby the Company will have the option to secure a 10% gold stream on Toroparu following the delivery of a bankable definitive feasibility study.

18. Silver and gold are produced as by-product metal at all operations with the exception of silver at the Keno Hill mine and Loma de La Plata project and gold at the Toroparu project; therefore, the economic cut-off applied to the reporting of silver and gold Resources and Reserves will be influenced by changes in the commodity prices of other metals at the time.

Statements made in this section contain forward-looking information. Please see “Cautionary Note Regarding Forward-Looking Statements” for material risks, assumptions and important disclosure associated with this information.

Cautionary Note Regarding Forward-Looking Statements

The information contained herein 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 securities legislation. Forward-looking statements, which are all statements other than statements of historical fact, include, but are not limited to, statements with respect to the future price of silver or gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, reserve determination, reserve conversion rates, statements as to any future dividends, the ability to fund outstanding commitments and continue to acquire accretive precious metal stream interests and assessments of the impact of various legal and tax matters. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, operations, level of activity, performance or achievements of Silver Wheaton to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: fluctuations in the price of silver or gold; the absence of control over mining operations from which Silver Wheaton purchases silver and gold and risks related to these mining operations including risks related to fluctuations in the price of the primary commodities mined at such operations, actual results of mining and exploration activities, environmental, economic and political risks of the jurisdictions in which the mining operations are located and changes in project parameters as plans continue to be refined; differences in the interpretation or application of tax laws and regulations; and the Company’s interpretation of, or compliance with, tax laws, is found to be incorrect; as well as those factors discussed in the section entitled “Description of the Business - Risk Factors” in Silver Wheaton's Annual Information Form available on SEDAR at www.sedar.com and in Silver Wheaton's Form 40-F on file with the U.S. Securities and Exchange Commission in Washington, D.C. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to: the continued operation of the mining operations from which Silver Wheaton purchases silver and gold, no material adverse change in the market price of commodities, that the mining operations will operate and the mining projects will be completed in accordance with their public statements and achieve their stated production outcomes, the continuing ability to fund or obtain funding for outstanding commitments, the ability to source and obtain accretive precious metal stream interests, expectations regarding the resolution of legal and tax matters, that the Company will be successful in challenging any reassessment by the CRA and such other assumptions and factors as set out herein. Although Silver Wheaton has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements and are cautioned that actual outcomes may vary. Silver Wheaton does not undertake to update any forward-looking statements that are included or incorporated by reference herein, except in accordance with applicable securities laws.

Cautionary Language Regarding Reserves And Resources

For further information on Mineral Reserves and Mineral Resources and on Silver Wheaton more generally, readers should refer to Silver Wheaton’s Annual Information Form for the year ended December 31, 2013 and other continuous disclosure documents filed by Silver Wheaton since January 1, 2014, available on SEDAR at www.sedar.com. Silver Wheaton’s Mineral Reserves and Mineral Resources are subject to the qualifications and notes set forth therein. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources: The information contained herein uses the terms “Measured”, “Indicated” and “Inferred” Mineral Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them and expressly prohibits U.S. registered companies from including such terms in their filings with the SEC. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable. United States investors are urged to consider closely the disclosure in Silver Wheaton’s Form 40-F, a copy of which may be obtained from Silver Wheaton or from http://www.sec.gov/edgar.shtml.

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Silver Wheaton Corp. ("Silver Wheaton") were prepared by management, which is responsible for the integrity and fairness of the information presented, including the many amounts that must of necessity be based on estimates and judgments. These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Financial information appearing throughout our Management's Discussion and Analysis ("MD&A") is consistent with these consolidated financial statements.

In discharging our responsibility for the integrity and fairness of the consolidated financial statements and for the accounting systems from which they are derived, we maintain and rely on a comprehensive system of internal controls designed to ensure that transactions are authorized, assets are safeguarded and proper records are maintained. These controls include business planning; delegation of authority; careful selection and hiring of staff; accountability for performance within appropriate and well-defined areas of responsibility; and the communication of policies and guidelines of business conduct throughout the company.

The Board of Directors oversees management's responsibilities for financial reporting through the Audit Committee, which is composed entirely of directors who are neither officers nor employees of Silver Wheaton. The Audit Committee reviews Silver Wheaton's interim and annual consolidated financial statements and MD&A and recommends them for approval by the Board of Directors. Other key responsibilities of the Audit Committee include monitoring Silver Wheaton's system of internal controls, monitoring its compliance with legal and regulatory requirements, selecting the external auditors and reviewing the qualifications, independence and performance of the external auditors.

Deloitte LLP, Independent Registered Public Accounting Firm, appointed by the shareholders of Silver Wheaton upon the recommendation of the Audit Committee and Board, have performed an independent audit of the consolidated financial statements and their report follows. The auditors have full and unrestricted access to the Audit Committee to discuss their audit and related findings.

/s/ Randy Smallwood	*/s/ Gary Brown*
Randy Smallwood	Gary Brown
President & Chief Executive Officer	Senior Vice President & Chief Financial Officer

March 20, 2014

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Silver Wheaton Corp.

We have audited the accompanying consolidated financial statements of Silver Wheaton Corp. and subsidiaries (the “Company”), which comprise the consolidated balance sheets as at December 31, 2013 and December 31, 2012, and the consolidated statements of earnings, consolidated statements of comprehensive income, consolidated statements of cash flows and consolidated statements of shareholders’ equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Silver Wheaton Corp. and subsidiaries as at December 31, 2013 and December 31, 2012 and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Other Matter

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company’s internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 20, 2014 expressed an unqualified opinion on the Company’s internal control over financial reporting.

/s/ Deloitte LLP

Chartered Accountants
Vancouver, Canada
March 20, 2014

Management's Report on Internal Control Over Financial Reporting

Management of Silver Wheaton Corp. ("Silver Wheaton") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of the Chief Executive Officer and the Chief Financial Officer and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. It includes those policies and procedures that:

i. pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions related to Silver Wheaton's assets

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and Silver Wheaton receipts and expenditures are made only in accordance with authorizations of management and Silver Wheaton's directors

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Silver Wheaton's assets that could have a material effect on Silver Wheaton's financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of Silver Wheaton's internal control over financial reporting as of December 31, 2013, based on the criteria set forth in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment, management has concluded that, as of December 31, 2013, Silver Wheaton's internal control over financial reporting was effective.

The effectiveness of Silver Wheaton's internal control over financial reporting, as of December 31, 2013, has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, as stated in their report which appears on the following page.

/s/ Randy Smallwood

Randy Smallwood

President & Chief Executive Officer

/s/ Gary Brown

Gary Brown

Senior Vice President & Chief Financial Officer

March 20, 2014

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Silver Wheaton Corp.

We have audited the internal control over financial reporting of Silver Wheaton Corp. and subsidiaries (the "Company") as of December 31, 2013, based on the criteria established *Internal Control—Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Company and our report dated March 20, 2014 expressed an unqualified opinion on those financial statements.

/s/ Deloitte LLP

Chartered Accountants

Vancouver, Canada
March 20, 2014

Consolidated Statements of Earnings

(US dollars and shares in thousands, except per share amounts)	Note	Years Ended December 31 2013	2012
Sales	5	$ 706,472	$ 849,560
Cost of sales			
Cost of sales, excluding depletion		$ 139,352	$ 117,489
Depletion		144,153	101,229
Total cost of sales		$ 283,505	$ 218,718
Earnings from operations		$ 422,967	$ 630,842
Expenses and other income			
General and administrative [1]	6	$ 35,308	$ 30,839
Foreign exchange (gain) loss		(348)	29
Interest expense	12	6,083	-
Other expense (income)	7	11,550	(817)
		$ 52,593	$ 30,051
Earnings before income taxes		$ 370,374	$ 600,791
Income tax recovery (expense)	20	5,121	(14,755)
Net earnings		$ 375,495	$ 586,036
Basic earnings per share		$ 1.06	$ 1.66
Diluted earnings per share		$ 1.05	$ 1.65
Weighted average number of shares outstanding			
Basic	16	355,588	353,874
Diluted	16	356,595	356,008
1) Equity settled stock based compensation (a non-cash item) included in general and administrative expenses.		$ 8,389	$ 6,420

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

(US dollars in thousands)	Note	Years Ended December 31 2013	2012
Net earnings		$ 375,495	$ 586,036
Other comprehensive income (loss)			
Items that will not be reclassified to net earnings			
Loss on long-term investments - common shares held	9	$ (77,881)	$ (31,134)
Deferred income tax recovery	20	1,784	2,479
Total other comprehensive loss		$ (76,097)	$ (28,655)
Total comprehensive income		$ 299,398	$ 557,381

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Balance Sheets

(US dollars in thousands)	Note	December 31 2013	December 31 2012
Assets			
Current assets			
Cash and cash equivalents	17	$ 95,823	$ 778,216
Accounts receivable	8	4,619	6,197
Other		845	966
Total current assets		$ 101,287	$ 785,379
Non-current assets			
Silver and gold interests	10	$ 4,228,484	$ 2,281,234
Early deposit - gold interest	11	13,602	-
Long-term investments	9	40,801	121,377
Other		5,670	1,347
Total non-current assets		$ 4,288,557	$ 2,403,958
Total assets		$ 4,389,844	$ 3,189,337
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 20,416	$ 20,898
Current portion of bank debt	12	-	28,560
Current portion of performance share units	15.1	718	-
Total current liabilities		$ 21,134	$ 49,458
Non-current liabilities			
Long-term portion of bank debt	12	$ 998,136	$ 21,500
Deferred income taxes	20	2,191	9,250
Performance share units	15.1	1,837	2,055
Total non-current liabilities		$ 1,002,164	$ 32,805
Total liabilities		$ 1,023,298	$ 82,263
Shareholders' equity			
Issued capital	13	$ 1,879,475	$ 1,811,577
Reserves	14	(25,618)	(1,710)
Retained earnings		1,512,689	1,297,207
Total shareholders' equity		$ 3,366,546	$ 3,107,074
Total liabilities and shareholders' equity		$ 4,389,844	$ 3,189,337
Commitments and contingencies	12, 21		

Randy Smallwood
Director

John Brough
Director

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(US dollars in thousands)	Note	Years Ended December 31 2013	2012
Operating activities			
Net earnings		$ 375,495	$ 586,036
Adjustments for			
Depreciation and depletion		144,393	101,457
Amortization of credit facility origination fees:			
Interest expense		558	-
Amortization of credit facility origination fees - undrawn facilities	7	1,910	-
Write off of credit facility origination fees upon the cancellation of the Bridge Facility	7	4,490	-
Interest expense		5,525	-
Equity settled stock based compensation		8,389	6,420
Performance share units	15.1	646	1,685
Deferred income tax (recovery) expense	20	(5,275)	14,030
Loss (gain) on fair value adjustment of share purchase warrants held	9	2,694	(496)
Investment income recognized in net earnings		(431)	(1,367)
Other		(69)	(14)
Change in non-cash working capital	17	1,088	10,366
Cash generated from operations		$ 539,413	$ 718,117
Interest paid - expensed		(5,513)	-
Interest received		233	1,287
Cash generated from operating activities		$ 534,133	$ 719,404
Financing activities			
Bank debt repaid	12	$ (1,725,060)	$ (28,560)
Bank debt drawn	12	2,675,000	-
Credit facility origination fees		(14,003)	-
Share purchase warrants exercised		51,736	1,878
Share purchase options exercised		6,390	11,030
Dividends paid	13.2	(160,013)	(123,852)
Cash generated from (applied to) financing activities		$ 834,050	$ (139,504)
Investing activities			
Silver and gold interests	10	$ (2,025,973)	$ (640,718)
Interest paid - capitalized to silver interests		(10,954)	(671)
Silver and gold interests - early deposit	11	(13,450)	-
Acquisition of long-term investments	9	-	(395)
Dividend income received		227	80
Other		(304)	(192)
Cash applied to investing activities		$ (2,050,454)	$ (641,896)
Effect of exchange rate changes on cash and cash equivalents		$ (122)	$ 11
Decrease in cash and cash equivalents		$ (682,393)	$ (61,985)
Cash and cash equivalents, beginning of year		778,216	840,201
Cash and cash equivalents, end of year	17	$ 95,823	$ 778,216

The accompanying notes form an integral part of these consolidated financial statements.

Consolidated Statements of Shareholders' Equity

(US dollars in thousands)	Number of Shares	Issued Capital	Reserves					Retained Earnings	Total
			Share Purchase Warrants Reserve	Share Purchase Options Reserve	Restricted Share Units Reserve	Long-Term Investment Revaluation Reserve (Net of Tax)	Total Reserves		
At January 1, 2012	353,500	$ 1,793,772	$ 7,457	$ 12,314	$ 2,510	$ 3,141	$ 25,422	$ 835,023	**$ 2,654,217**
Total comprehensive income									
Net earnings		$ -	$ -	$ -	$ -	$ -	$ -	$ 586,036	**$ 586,036**
OCI [1]		-	-	-	-	(28,655)	(28,655)	-	**(28,655)**
Total comprehensive income (loss)		$ -	$ -	$ -	$ -	$ (28,655)	$ (28,655)	$ 586,036	**$ 557,381**
Fair value of SBC [1]		$ -	$ -	$ 5,191	$ 1,229	$ -	$ 6,420	$ -	**$ 6,420**
Options [1] exercised	721	14,485	-	(3,455)	-	-	(3,455)	-	**11,030**
RSUs [1] released	61	1,186	-	-	(1,186)	-	(1,186)	-	**-**
Warrants [1] exercised	94	2,134	(256)	-	-	-	(256)	-	**1,878**
Dividends		-	-	-	-	-	-	(123,852)	**(123,852)**
At December 31, 2012	354,376	$ 1,811,577	$ 7,201	$ 14,050	$ 2,553	$ (25,514)	$ (1,710)	$ 1,297,207	$ **3,107,074**
Total comprehensive income									
Net earnings		$ -	$ -	$ -	$ -	$ -	$ -	$ 375,495	**$ 375,495**
OCI [1]		-	-	-	-	(76,097)	(76,097)	-	**(76,097)**
Total comprehensive income		$ -	$ -	$ -	$ -	$ (76,097)	$ (76,097)	$ 375,495	**$ 299,398**
Fair value of SBC [1]		$ -	$ -	$ 7,454	$ 935	$ -	$ 8,389	$ -	**$ 8,389**
Options [1] exercised	415	8,451	-	(2,061)	-	-	(2,061)	-	**6,390**
RSUs [1] released	19	655	-	-	(655)	-	(655)	-	**-**
Warrants [1] issued		-	53,572	-	-	-	53,572	-	**53,572**
Warrants [1] exercised	2,587	58,792	(7,056)	-	-	-	(7,056)	-	**51,736**
Dividends (Note 13.2)		-	-	-	-	-	-	(160,013)	**(160,013)**
At December 31, 2013	**357,397**	**$ 1,879,475**	**$ 53,717**	**$ 19,443**	**$ 2,833**	**$ (101,611)**	**$ (25,618)**	**$ 1,512,689**	**$ 3,366,546**

1) Definitions as follows: "OCI" = Other Comprehensive Income (Loss); "SBC" = Equity Settled Stock Based Compensation; "Options" = Share Purchase Options; "RSUs" = Restricted Share Units; "Warrants" = Share Purchase Warrants.

The accompanying notes form an integral part of these consolidated financial statements.

1. Description of Business and Nature of Operations

Silver Wheaton Corp. ("Silver Wheaton" or the "Company") is a mining company which generates its revenue primarily from the sale of silver and gold. Silver Wheaton Corp., which is the ultimate parent company of its consolidated group, is incorporated and domiciled in Canada, and its principle place of business is at Suite 3150 – 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The Company trades on the Toronto Stock Exchange ("TSX") and the New York Stock Exchange ("NYSE") under the symbol SLW.

The Company has entered into 20 long-term purchase agreements and one early deposit long-term purchase agreement associated with silver and/or gold ("precious metal purchase agreements"), relating to 24 different mining assets, whereby Silver Wheaton acquires silver and gold production from the counterparties for a per ounce cash payment which is fixed by contract, generally at or below the prevailing market price. During the year ended December 31, 2013, the per ounce price paid by the Company for silver and gold under the agreements averaged $4.12 and $386, respectively. The primary drivers of the Company's financial results are the volume of silver and gold production at the various mines and the price of silver and gold realized by Silver Wheaton upon sale.

The consolidated financial statements of the Company for year ended December 31, 2013 were authorized for issue in accordance with a resolution of the Board of Directors dated March 20, 2014.

2. Significant Accounting Policies

2.1. Basis of Presentation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") on a historical cost basis, except for financial assets which are not held for the purpose of collecting contractual cash flows on specified dates, derivative assets and derivative liabilities which have been measured at fair value as at the relevant balance sheet date. The consolidated financial statements are presented in United States ("US") dollars, which is the Company's functional currency, and all values are rounded to the nearest thousand US dollars (US$ 000's) unless otherwise noted. References to "Cdn$" refer to Canadian dollars.

2.2. Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.3. Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its 100% owned subsidiaries Silver Wheaton (Caymans) Ltd. ("SW Caymans"), Silver Wheaton Luxembourg S.a.r.l. ("Silver Wheaton Luxembourg") and, prior to the current year, Silverstone Resources (Barbados) Corp. ("SST Barbados") which was liquidated into Silver Wheaton Caymans as of December 31, 2012.

Subsidiaries are fully consolidated from the date on which the Company obtains a controlling interest. Control is defined as an investor's power over an investee with exposure, or rights, to variable returns from the investee and the ability to affect the investor's returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Balances, transactions, income and expenses between the Company and its subsidiaries are eliminated on consolidation.

2.4. Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid money market investments including short-term deposits, treasury bills, commercial paper, bankers' depository notes and bankers' acceptances with terms to maturity of less than three months.

2.5. Revenue Recognition

Revenue from the sale of silver and gold is recognized when persuasive evidence of an arrangement exists, title and risk passes to the buyer, collection is reasonably assured and the price is reasonably determinable. Selling prices are determined at the point revenue is recognized by reference to active and freely traded commodity markets, for example the London Bullion Market for commodities, in an identical form to the product sold.

Where the Company acquires silver or gold in concentrate form, final silver or gold prices are set on a specified future quotational period (the "Quotational Period") pursuant to the concentrate sales contracts with third-party smelters, typically one to three months after the shipment date, based on market prices for silver or gold. Revenues and the associated cost of sales are recorded on a gross basis under these contracts at the time title passes to the buyer based on the forward price for the expected settlement period. The contracts, in general, provide for a provisional payment based upon provisional assays and quoted silver and gold prices. Final settlement is based upon the average applicable price for the Quotational Period applied to the actual number of silver or gold ounces recovered calculated using confirmed smelter weights and settlement assays. Final settlement generally occurs from three to six months after shipment. The Company's provisionally priced sales contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of concentrates measured at the forward price at the time of sale. The embedded derivative is recorded on the balance sheet as a derivative asset in Accounts Receivable or as a derivative liability in Accounts Payable and Accrued Liabilities and is adjusted to fair value through revenue each period until the date of final settlement.

2.6. Financial Instruments

In November 2009, the IASB introduced IFRS 9, Financial Instruments ("IFRS 9"), which is part of a project to replace IAS 39, Financial Instruments: Recognition and Measurement. The IASB recently suspended the originally planned effective date of January 1, 2015 and at present the effective date has not been determined. The Company has elected to adopt IFRS 9 (2009) and the related consequential amendments effective January 1, 2010.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through net earnings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through net earnings are recognized immediately in net earnings.

2.7. Financial Assets

Financial assets are subsequently measured at either amortized cost or fair value, depending on the classification of the financial assets.

Financial Assets at Fair Value Through Other Comprehensive Income ("FVTOCI")

The Company's long-term investments in common shares held are for long-term strategic purposes and not for trading. Upon the adoption of IFRS 9, the Company made an irrevocable election to designate these long-term investments in common shares held as FVTOCI as it believes that this provides a more meaningful presentation for long-term strategic investments, rather than reflecting changes in fair value immediately in net earnings.

Long-term investments in common shares held are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized as a component of other comprehensive income ("OCI") and accumulated in the long-term investment revaluation reserve. The cumulative gain or loss will not be reclassified to net earnings on disposal of these long-term investments.

Dividends on these long-term investments in common shares held are recognized as a component of net earnings in the period they are received under the classification Other (Income) Expense.

Financial Assets at Fair Value Through Net Earnings ("FVTNE")

Warrants held by the Company for long-term investment purposes are classified as FVTNE. These warrants are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized as a component of net earnings under the classification Other (Income) Expense.

As discussed in Note 2.5, the Company's provisionally priced sales contain an embedded derivative that is remeasured at fair value at the end of each reporting period. Fair value gains and losses related to the embedded derivative are included in revenue in the period they occur.

Financial Assets at Amortized Cost

Cash and cash equivalents are stated at amortized cost. Other receivables are non-interest bearing and are stated at amortized cost, which approximate fair values due to the short terms to maturity. Where necessary, other receivables are reported net of allowances for uncollectable amounts.

Foreign Exchange Gains and Losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. The foreign exchange component forms part of its fair value gain or loss. Therefore,

- For financial assets that are classified as FVTNE, the foreign exchange component is recognized as a component of net earnings, and
- For financial assets that are classified as FVTOCI, the foreign exchange component is recognized as a component of OCI.

Derecognition of Financial Assets

The Company derecognizes a financial asset only when the contractual rights to cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss (net of tax) previously accumulated in the long-term investment revaluation reserve is not reclassified to net earnings, but is reclassified to retained earnings.

2.8. Financial Liabilities and Equity Instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and equity instrument. All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTNE, depending on the classification of the instrument.

Equity Instruments

An equity instrument is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received less direct issue costs (net of any current or deferred income tax recovery attributable to such costs).

Share Purchase Warrants Issued

Share purchase warrants issued with an exercise price denominated in the Company's functional currency (US dollars) are considered equity instruments with the consideration received reflected within shareholders' equity under the classification of share purchase warrants reserve. Upon exercise, the original consideration is reallocated from share purchase warrants reserve to issued share capital along with the associated exercise price.

Other Financial Liabilities

Accounts payable and accrued liabilities, silver interest payments due and bank debt are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign Exchange Gains and Losses

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Therefore,

- For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized as a component of net earnings, and
- For financial liabilities that are classified as FVTNE, the foreign exchange component forms part of the fair value gains or losses and is recognized as a component of net earnings.

Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized as a component of net earnings.

2.9. Silver and Gold Interests

Agreements for which settlement is called for in silver and/or gold, the amount of which is based on production at the mines, are stated at cost less accumulated depletion and accumulated impairment charges, if any.

The cost of the asset is comprised of its purchase price, any closing costs directly attributable to acquiring the asset, and, for qualifying assets, borrowing costs. The purchase price is the aggregate cash amount paid and the fair value of any other non-cash consideration given to acquire the asset.

Depletion

The cost of these silver and gold interests is separately allocated to reserves, resources and exploration potential. The value allocated to reserves is classified as depletable and is depleted on a unit-of-sale basis over the estimated recoverable proven and probable reserves at the mine corresponding to the specific agreement. The value associated with resources and exploration potential is the value beyond proven and probable reserves at acquisition and is classified as non-depletable until such time as it is transferred to the depletable category as a result of the conversion of resources and/or exploration potential into reserves.

Asset Impairment

Management considers each precious metal purchase agreement to be a separate cash generating unit, which is the lowest level for which cash inflows are largely independent of those of other assets. At the end of each reporting period, the Company assesses each precious metal purchase agreement to determine whether any indication of impairment exists. If such an indication exists, the recoverable amount of the precious metal purchase agreement is estimated in order to determine the extent of the impairment (if any). The recoverable amount of each precious metal purchase agreement is the higher of fair value less costs to sell ("Fair Value Approach") and value in use ("Value-In-Use Approach").

Under the Fair Value Approach, the net asset value ("NAV") methodology is used to determine the fair value that could be received from each precious metal purchase agreement in an arm's length transaction at the measurement date. NAV is estimated by using an appropriate discount rate to calculate the present value of expected future cash flows associated with each mineral category. The discount rates used across the portfolio of precious metal purchase agreements range from 5% to 12%. The values are adjusted for each mineral category dependent on the likelihood of conversion from resources to reserves. A market multiple is applied to the NAV computed in order to assess the estimated fair value. Silver and precious metals companies typically trade at a market capitalization that is based on a multiple of their underlying NAV. Consequently, a market participant would generally apply a NAV multiple when estimating the fair value of a silver and gold interest.

Under the Value-In-Use Approach, the net present value ("NPV") methodology is used. NPV is estimated by using a nominal discount rate to calculate the present value of expected future cash flows. The nominal discount rate is based on the Company's weighted average cost of capital, adjusted for any differences assessed in the risk profile associated with the relevant precious metal purchase agreement relative to the risk profile associated with the overall portfolio of precious metal purchase agreements. The nominal discount rates used across the portfolio of precious metal purchase agreements range from 5% to 19%.

The expected future cash flows are management's best estimates of expected future revenues and costs. Under each method, expected future revenues reflect an estimate of future production for each mine at which the Company has a precious metal purchase agreement based on detailed life of mine plans received from each of the partners. Expected future revenues also reflect management's estimated long-term metal prices. Under the Fair Value Approach, silver and gold prices used range from $20 to $21 and $1,250 to $1,300, respectively. Under the Value-In-Use Approach, nominal silver and gold prices of $20 and $1,250 are used for the current year, with a 2% inflationary factor thereafter. Estimated future cash costs are fixed based on the terms of each precious metal purchase agreement, as disclosed in Note 21.

If the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and an impairment charge is reflected as a component of net earnings so as to reduce the carrying amount to its recoverable value. A previously recognized impairment charge is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment charge was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depletion, had no impairment charge been recognized for the asset in prior years. Such reversal is reflected as a component of net earnings.

No impairment charge was required at December 31, 2013 and December 31, 2012

As part of the annual review of the recoverable amounts, the Company performs a sensitivity analysis on silver and gold prices, which are key assumptions that impact the impairment calculations. Assuming a negative 10% change relative to current silver and gold price assumptions, while holding all other assumptions constant, no impairment charge was required at December 31, 2013.

2.10. Borrowing and Debt Issue Costs

Borrowing costs allocable to qualifying assets, which are assets that necessarily take a substantial period of preparation for their intended use, are capitalized and included in the carrying amounts of the related assets until such time as the assets are substantially ready for their intended use. Borrowing costs that do not relate to the acquisition or construction of qualifying assets are reflected as a component of net earnings under the classification Interest Expense, as incurred. For the purposes of determining whether borrowing costs are allocable to qualifying assets, general borrowings are first considered to relate to qualifying assets to the extent of the cumulative investment made by the Company.

Debt issue costs on non-revolving facilities are treated as an adjustment to the carrying amount of the original liability and are amortized over the life of the new or modified liability. Debt issue costs on revolving facilities are recorded as an asset under the classification Other long-term assets and are amortized over the life of the new or modified credit facility.

2.11. Stock Based Payment Transactions

The Company recognizes a stock based compensation expense for all share purchase options and restricted share units ("RSUs") awarded to employees, officers and directors based on the fair values of the share purchase options and RSUs at the date of grant. The fair values of share purchase options and RSUs at the date of grant are expensed over the vesting periods of the share purchase options and RSUs, respectively, with a corresponding increase to equity. The fair value of share purchase options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. Share purchase options with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values. The fair value of RSUs is the market value of the underlying shares at the date of grant. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revisions to this estimate in the consolidated statement of earnings.

The Company recognizes a stock based compensation expense for performance share units ("PSUs") which are awarded to eligible employees and are settled in cash. Compensation expense for the PSUs is recorded on a straight-line basis over the three year vesting period. This estimated expense is reflected as a component of net earnings over the vesting period of the PSUs with the related obligation recorded as a liability on the balance sheet. The amount of compensation expense is adjusted at the end of each reporting period to reflect (i) the fair market value of common shares; (ii) the number of PSUs anticipated to vest; and (iii) the anticipated performance factor.

2.12. Income Taxes

Income tax expense comprises current and deferred income tax. Current and deferred income taxes are recognized as a component of net earnings except to the extent that it relates to items recognized directly in equity or as a component of OCI.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax assets and liabilities are measured using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and which are expected to apply when the related deferred income tax assets are realized or the deferred income tax liabilities are settled.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are generally recognized for all deductible temporary differences and the carry forward of unused tax losses and tax credits to the extent that it is probable that there will be sufficient taxable income against which those deductible temporary differences and the carry forward of unused tax losses and tax credits can be utilized.

Deferred income tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred income tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred income tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are not recognized for temporary differences arising from the initial recognition (other than in a business combination) of assets and liabilities in a transaction which does not affect either the accounting income or the taxable income. In addition, deferred income tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

2.13. Earnings Per Share

Earnings per share calculations are based on the weighted average number of common shares and common share equivalents issued and outstanding during the year. Diluted earnings per share is calculated using the treasury method which requires the calculation of diluted earnings per share by assuming that outstanding share purchase options and warrants, with an average market price that exceeds the average exercise prices of the options and warrants for the year, are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the common shares for the year.

2.14. Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are presented in US dollars, which is the Company's functional currency. Foreign currency monetary assets and liabilities are translated into US dollars at the exchange rates prevailing at the balance sheet date. Non-monetary assets denominated in foreign currencies are translated using the rate of exchange at the transaction date. Foreign currency transactions are translated at the US dollar rate prevailing on the transaction dates. Foreign exchange gains and losses are included in the determination of net earnings except for the foreign exchange gains and losses on the Company's long-term investments in common shares held which are reflected as a component of OCI and accumulated in a separate component of the investments revaluation reserve which is a component of shareholders' equity until they are realized as a result of a sale, at which time the accumulated foreign exchange gain or loss is reallocated from the investments reserve to retained earnings.

2.15. Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. At December 31, 2013 and December 31, 2012, the Company was not a party to any finance leases.

The Company as the Lessee

Operating lease payments are recognized on a straight-line basis over the term of the lease, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction to rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2.16. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount required to settle the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.17. Changes in Accounting Policies

Accounting Policies Implemented Effective January 1, 2013

IAS 1 - Presentation of Financial Statements (amended 2011)

In June 2011, the IASB issued amendments to IAS 1 - Presentation of Financial Statements ("IAS 1") that require an entity to group items presented in the statement of other comprehensive income on the basis of whether they may be reclassified to profit or loss subsequent to initial recognition. For those items presented before tax, the amendments to IAS 1 also require that the tax related to the two separate groups be presented separately. The adoption of this amended standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 10 - Consolidated Financial Statements ("IFRS 10")

In May 2011, the IASB issued IFRS 10 - Consolidated Financial Statements to replace IAS 27 - Consolidated and Separate Financial Statements and SIC 12 - Consolidation – Special Purpose Entities. The new consolidation standard changes the definition of control so that the same criteria apply to all entities, both operating and special purpose entities, to determine control. The revised definition focuses on the need to have both power over the investee to direct relevant activities and exposure to variable returns before control is present. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 11 - Joint Arrangements ("IFRS 11")

In May 2011, the IASB issued IFRS 11 - Joint Arrangements to replace IAS 31 - Interests in Joint Ventures. The new standard defines two types of arrangements: Joint Operations and Joint Ventures. Focus is on the rights and obligations of the parties to the joint arrangement, thereby requiring parties to recognize the individual assets and liabilities to which they have rights or for which they are responsible, even if the joint arrangement operates in a separate legal entity. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 12 - Disclosure of Interests in Other Entities ("IFRS 12")

In May 2011, the IASB issued IFRS 12 - Disclosure of Interests in Other Entities to create a comprehensive disclosure standard to address the requirements for subsidiaries, joint arrangements and associates and the reporting entity's involvement with other entities. It also includes the requirements for unconsolidated structured entities (i.e. special purpose entities). The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

IFRS 13 - Fair Value Measurement

In May 2011, the IASB issued IFRS 13 - Fair Value Measurement as a single source of guidance for all fair value measurements required by IFRS to reduce the complexity and improve consistency across its application. The standard provides a definition of fair value and guidance on how to measure fair value as well as a requirement for enhanced disclosures. The adoption of this new standard did not result in a material impact on the Company's consolidated financial statements.

2.18. Future Changes in Accounting Policies

The IASB has issued the following new or amended standards:

Standards required to be applied for periods beginning on or after January 1, 2014:

- IAS 32 – Financial Instruments: Presentation (amended 2011)

Standards required with effective date to be determined:

- IFRS 9 (2013) – Financial Instruments (amended 2013): The IASB recently suspended the originally planned effective date of January 1, 2015 and at present the effective date has not been determined.

The Company adopted IFRS 9 (2009) – Financial Instruments effective January 1, 2010. Early adoption of the above standards is permitted.

Based upon its current facts and circumstances, the Company does not expect to be materially affected by the application of these new standards.

3. Key Sources of Estimation Uncertainty and Critical Accounting Judgments

The preparation of the Company's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Information about significant areas of estimation uncertainty and judgments made by management in preparing the consolidated financial statements are described below.

Key Sources of Estimation Uncertainty[1]

3.1. Attributable Reserve and Resource Estimates

Silver and gold interests are significant assets of the Company, with a carrying value of $4.2 billion at December 31, 2013. This amount represents the capitalized expenditures related to the acquisition of the silver and gold interests, net of accumulated depletion. The Company estimates the reserves and resources relating to each agreement. Reserves are estimates of the amount of silver or gold that can be economically and legally extracted from the mining properties at which the Company has precious metal purchase agreements, adjusted where applicable to reflect the Company's percentage entitlement to silver and gold produced from such mines. The Company estimates its reserves and resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and require complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of the Company's silver and gold interests and depletion charges.

3.2. Depletion

As described in Note 2.9, the Company's silver and gold interests are separately allocated to reserves, resources and exploration potential. The value allocated to reserves is classified as depletable and is depleted on a unit-of-sale basis over the estimated recoverable proven and probable reserves at the mine corresponding to the specific agreement. To make this allocation, the Company estimates the recoverable reserves, resources and exploration potential at each mining operation. These calculations require the use of estimates and assumptions, including the amount of contained silver and gold, recovery rates and payable rates. Changes to these assumptions may impact the estimated recoverable reserves, resources or exploration potential which could directly impact the depletion rates used. Changes to depletion rates are accounted for prospectively.

3.3. Impairment of Assets

As more fully described in Note 2.9, the Company assesses each silver and gold interest at the end of every reporting period to determine whether any indication of impairment exists. The calculation of the recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable ounces of silver and gold, and operating performance.

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[1] Statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" in the Management's Discussion and Analysis ("MD&A") for material risks, assumptions and important disclosure associated with this information.

3.4. Valuation of Stock Based Compensation

As more fully described in Note 2.11, the Company has various forms of stock based compensation, including share purchase options, restricted share units ("RSUs") and performance share units ("PSUs"). The calculation of the fair value of share purchase options, RSUs and PSUs issued requires the use of estimates as more fully described in Notes 14.2, 14.3, and 15.1, respectively.

3.5. Provisionally Priced Concentrate Sales

As discussed in Note 5, the Company's provisionally priced sales contain an embedded derivative that is required to be separated from the host contract for accounting purposes and adjusted to fair value through revenue each reporting period, until the date of final settlement. The calculation of the fair value of the embedded derivative requires the use of estimates and assumptions related to the future price of silver and/or gold.

3.6. Contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time, including an audit (the "CRA Audit") by the Canada Revenue Agency ("CRA") of the Company's international transactions covering the 2005 to 2010 taxation years. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. If the Company is unable to resolve any of these matters favorably, there may be a material adverse impact on the Company's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements in the appropriate period relative to when such changes occur.

Critical Accounting Judgments[1]

3.7. Functional Currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. As a result of the following factors, the Company has determined that the functional currency of each entity is the US dollar:

- The Company's revenue is denominated in US dollars;
- The Company's cash cost of sales is denominated in US dollars;
- The majority of the Company's cash is held in US dollars; and
- The Company generally seeks to raise capital in US dollars.

Determination of the functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

3.8. Income Taxes

The interpretation and application of existing tax laws or regulations in Canada, the Cayman Islands, Luxembourg, Barbados, the Netherlands or any of the countries in which the mining operations are located or to which shipments of silver or gold are made requires the use of judgment. Differing interpretation of these laws or regulations could result in an increase in the Company's taxes, or other governmental charges, duties or impositions. In assessing the probability of realizing deferred income tax assets, management makes estimates related to expectations of future taxable income and expected timing of reversals of existing temporary differences. Such estimates are based on forecasted cash flows.

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[1] Statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" in the Management's Discussion and Analysis ("MD&A") for material risks, assumptions and important disclosure associated with this information.

4. Financial Instruments

The Company thoroughly examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, interest rate risk, commodity price risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

4.1. Capital Risk Management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of debt (Note 12) and equity attributable to common shareholders, comprising of issued capital (Note 13), accumulated reserves (Note 14) and retained earnings.

The Company is not subject to any externally imposed capital requirements with the exception of complying with the minimum tangible net worth covenant under the credit agreement governing bank debt (Note 12).

The Company is in compliance with the debt covenants at December 31, 2013, as described in Note 12.

4.2. Categories of Financial Assets and Liabilities

Cash and cash equivalents are reported at amortized cost. Other receivables are non-interest bearing and are stated at amortized cost, which approximate fair values due to the short terms to maturity. Where necessary, other receivables are reported net of allowances for uncollectable amounts. All other financial assets are reported at fair value. Fair value adjustments on financial assets are reflected as a component of net earnings with the exception of fair value adjustments associated with the Company's long-term investments in common shares held. As these long-term investments are held for strategic purposes and not for trading, the Company has made a one time, irrevocable election to reflect the fair value adjustments associated with these investments as a component of OCI. Financial liabilities are reported at amortized cost using the effective interest method, except for derivative liabilities which are measured at fair value through net earnings. The following table summarizes the classification of the Company's financial assets and liabilities:

(in thousands)	Note	December 31 2013	December 31 2012
Financial assets			
Fair value through net earnings			
Long-term investments - warrants held	9	$ -	$ 2,694
Trade receivables from provisional concentrate sales, net of fair value adjustment	5	2,457	5,909
Fair value through other comprehensive income			
Long-term investments - common shares held	9	40,801	118,683
Amortized cost			
Cash and cash equivalents		95,823	778,216
Other accounts receivable	8	2,162	288
		$ 141,243	$ 905,790
Financial liabilities			
Fair value through net earnings			
Accrued liabilities from provisional concentrate sales related to fair value adjustment, net of trade receivable	5	$ -	$ 634
Amortized cost			
Accounts payable and accrued liabilities		16,198	19,094
Bank debt	12	998,136	50,060
		$ 1,014,334	$ 69,788

4.3. Credit Risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge its obligations. To mitigate exposure to credit risk on financial assets, the Company has established policies to limit the concentration of credit risk, to ensure counterparties demonstrate minimum acceptable credit worthiness and to ensure liquidity of available funds.

The Company closely monitors its financial assets and does not have any significant concentration of credit risk. The Company invests surplus cash in short-term, high credit quality, money market instruments. In addition, counterparties used to sell silver and gold are all large, international organizations with strong credit ratings and the balance of trade receivables owed to the Company in the ordinary course of business is not significant. Therefore, the Company is not exposed to significant credit risk and, overall, the Company's credit risk has not changed significantly from the prior year.

At December 31, 2013 and December 31, 2012, there were no significant trade receivables owed to the Company which were past due. The Company's maximum exposure to credit risk related to its financial assets is as follows:

(in thousands)	Note	December 31 2013	December 31 2012
Cash and cash equivalents		$ 95,823	$ 778,216
Trade receivables from provisional concentrate sales, net of fair value adjustment	8	2,457	5,909
Other receivables	8	2,162	288
		$ 100,442	$ 784,413

4.4. Liquidity Risk

The Company has in place a rigorous planning and budgeting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis and its expansionary plans. The Company ensures that there are sufficient committed loan facilities to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents. As at December 31, 2013, the Company had cash and cash equivalents of $95.8 million (December 31, 2012 - $778.2 million) and working capital of $80.2 million (December 31, 2012 - $735.9 million). The Company invests surplus cash in short-term, high credit quality money market instruments.

Silver Wheaton holds common shares and common share purchase warrants of several publicly traded mineral exploration, development and mining companies (Note 9) with a combined market value at December 31, 2013 of $40.8 million (December 31, 2012 - $121.4 million). The daily exchange traded volume of these shares, including the shares underlying the warrants, is not sufficient for the Company to liquidate its position in a short period of time without potentially affecting the market value of the shares. These shares and warrants are held for strategic purposes and are considered long-term investments and therefore, as part of the Company's planning, budgeting and liquidity analysis process, these investments are not relied upon to provide operational liquidity.

The following tables summarize the timing associated with the Company's remaining contractual payments relating to its financial liabilities and commitments. The tables reflect the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay (assuming that the Company is in compliance with all of its obligations). The tables include both interest and principal cash flows. To the extent that applicable interest rates are floating in nature, the interest charges are estimated based on market-based forward interest rate curves at the end of the reporting period. The contractual maturity date of these financial liabilities and commitments is based on the earliest date on which the Company may be required to pay.

As at December 31, 2013

(in thousands)	2014	2015	2016	2017	2018	Thereafter	Commitments	**Total**
Non-derivative financial liabilities and commitments								
Bank debt	$ -	$ -	$ 1,000,000	$ -	$ -	$ -	$ -	**$ 1,000,000**
Interest on bank debt [1]	14,620	16,119	7,501	-	-	-	-	**38,240**
Silver and gold interest payments [2]								
Constancia [3]	-	-	-	-	-	-	260,000	**260,000**
Rosemont [4]	-	-	-	-	-	-	231,150	**231,150**
Loma de La Plata [5]	-	-	-	-	-	-	32,400	**32,400**
Toroparu [6]	-	-	-	-	-	-	135,000	**135,000**
Accounts payable and accrued liabilities	16,198	-	-	-	-	-	-	**16,198**
Performance share units	718	1,121	716	-	-	-	-	**2,555**
Total	$ 31,536	$ 17,240	$ 1,008,217	$ -	$ -	$ -	$ 658,550	**$ 1,715,543**

1) As the applicable interest rates are floating in nature, the interest charges are estimated based on market-based forward interest rate curves at the end of the reporting period.
2) Vale is in the process of expanding the mill throughput capacity at the Salobo mine (Note 10) to 24 million tonnes per annum ("Mtpa") from its current 12 Mtpa. If throughput capacity is expanded above 28 Mtpa within a predetermined period, Silver Wheaton will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 Mtpa by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 Mtpa prior to January 1, 2021. This contingent liability is not reflected in the above table.
3) In connection with the Constancia precious metal purchase agreement, the Company is committed to pay Hudbay two further payments of $125 million and $135 million to be made once capital expenditures of $1 billion and $1.35 billion, respectively, have been incurred at Constancia. Silver Wheaton has the option to make the $135 million payment in either cash or Silver Wheaton shares, with the number of shares to be determined at the time the payment is made.
4) In connection with the Rosemont precious metal purchase agreement, the Company is committed to pay contingent transaction costs of $1.1 million in addition to a commitment to pay Augusta total upfront cash payments of $230 million, payable on an installment basis, to partially fund construction of the Rosemont mine once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete construction of the mine.
5) In connection with the Company's election to convert the debenture with Pan American into a silver purchase agreement, the Company is committed to pay Pan American total upfront cash payments of $32.4 million following the satisfaction of certain conditions, including Pan American receiving all necessary permits to proceed with the mine construction.
6) During the 90 day period following the delivery of a bankable definitive feasibility study, environmental study and impact assessment, and other related documents (collectively, the "Feasibility Documentation"), or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

As at December 31, 2012

(in thousands)	2013	2014	2015	2016	2017	Thereafter	Commitments	**Total**
Non-derivative financial liabilities and commitments								
Bank debt [1]	$ 28,560	$ 21,500	$ -	$ -	$ -	$ -	$ -	**$ 50,060**
Interest on bank debt [2]	472	145	-	-	-	-	-	**617**
Silver and gold interest payments								
Constancia [3]	-	-	-	-	-	-	250,000	**250,000**
Rosemont [4]	-	-	-	-	-	-	230,000	**230,000**
Loma de La Plata [5]	-	-	-	-	-	-	32,400	**32,400**
Accounts payable and accrued liabilities	19,094	-	-	-	-	-	-	**19,094**
Performance share units	-	1,064	991	-	-	-	-	**2,055**
Derivative financial liabilities								
Accrued liabilities from provisional concentrate sales related to fair value adjustment, net of trade receivable	634	-	-	-	-	-	-	**634**
Total	$ 48,760	$ 22,709	$ 991	$ -	$ -	$ -	$ 512,400	**$ 584,860**

1) As more fully disclosed in Note 12, the bank debt was repaid in full on February 22, 2013.
2) As the applicable interest rates are floating in nature, the interest charges are estimated based on market-based forward interest rate curves at the end of the reporting period.
3) In connection with the Constancia silver purchase agreement, at December 31, 2012 the Company was committed to pay Hudbay two further payments of $125 million to be made once capital expenditures of $500 million and $1 billion have been incurred at Constancia.
4) In connection with the Rosemont precious metal purchase agreement, the Company is committed to pay contingent transaction costs of $1.1 million in addition to a commitment to pay Augusta total upfront cash payments of $230 million, payable on an installment basis, to partially fund construction of the Rosemont mine once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete construction of the mine.
5) In connection with the Company's election to convert the debenture with Pan American into a silver purchase agreement, the Company is committed to pay Pan American total upfront cash payments of $32.4 million following the satisfaction of certain conditions, including Pan American receiving all necessary permits to proceed with the mine construction.

4.5. Currency Risk

The Company undertakes certain transactions denominated in Canadian dollars, including certain operating expenses and the acquisition of strategic long-term investments. As a result, the Company is exposed to fluctuations in the value of the Canadian dollar relative to the US dollar. The carrying amounts of the Company's Canadian dollar denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

(in thousands)	**December 31 2013**	December 31 2012
Monetary assets		
Cash and cash equivalents	$ 1,029	$ 1,007
Accounts receivable	41	127
Long-term investments - common shares held	39,301	116,108
Long-term investments - warrants held	-	2,694
	$ 40,371	$ 119,936
Monetary liabilities		
Accounts payable and accrued liabilities	$ 5,724	$ 5,785
Performance share units	2,367	1,923
	$ 8,091	$ 7,708

The following tables detail the Company's sensitivity to a 10% increase or decrease in the Canadian dollar relative to the United States dollar, representing the sensitivity used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in exchange rates.

	As at December 31, 2013 Change in Canadian Dollar	
(in thousands)	10% Increase	10% Decrease
Increase (decrease) in net earnings	$ (702)	$ 702
Increase (decrease) in other comprehensive income	3,930	(3,930)
Increase (decrease) in total comprehensive income	$ 3,228	$ (3,228)

	As at December 31, 2012 Change in Canadian Dollar	
(in thousands)	10% Increase	10% Decrease
Increase (decrease) in net earnings	$ (388)	$ 388
Increase (decrease) in other comprehensive income	11,611	(11,611)
Increase (decrease) in total comprehensive income	$ 11,223	$ (11,223)

4.6. Interest Rate Risk

The Company is exposed to interest rate risk on its outstanding borrowings and short-term investments. Presently, all of the Company's outstanding borrowings are at floating interest rates and all of its interest-bearing investments have terms of less than three months. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk. During the year ended December 31, 2013, the weighted average effective interest rate paid by the Company on its outstanding borrowings was 2.04% (2012 – 1.12%).

For the year ended December 31, 2013, a portion of the interest incurred by the Company has been capitalized as it relates to the acquisition of the Barrick and Constancia silver interests, both of which were under development during the period, with the remainder being reflected as a component of net earnings. For the year ended December 31, 2012, all of the interest incurred by the Company has been capitalized as it relates to the acquisition of the Barrick and Constancia silver interests, both of which were under development during the period. A fluctuation in interest rates of 100 basis points (1 percent) would have impacted the amount of interest capitalized during the year ended December 31, 2013 by approximately $3.9 million (2012 - $0.6 million) and the amount of interest expensed by $2.0 million (2012 - $Nil).

4.7. Commodity Price Risk

The price of the Company's common shares and its financial results may be significantly adversely affected by a decline in the price of silver or gold. The price of silver and gold can fluctuate widely, and is affected by numerous factors beyond the Company's control, including but not limited to, the sale or purchase of silver and gold by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the US dollar and foreign currencies, global and regional supply and demand, and the political and economic conditions of major silver and gold producing countries throughout the world.

In the event that the prevailing market price of silver or gold is at or below the price at which the Company can purchase such, pursuant to the terms of the agreements associated with its silver and gold interests, the Company may not generate positive cash flow or earnings.

4.8. Other Price Risk

The Company is exposed to equity price risk as a result of holding long-term investments in other exploration and mining companies. The Company does not actively trade these investments.

The sensitivity analysis below has been determined based on the exposure to equity price risks at December 31, 2013.

If equity prices had been 10% higher or lower:

- Net earnings for the year ended December 31, 2013 would not have been affected by changes in the fair value of share purchase warrants held (2012 – net income would have increased/decreased by approximately $0.3 million as a result of changes in the fair value of share purchase warrants held); and
- Other comprehensive income for the year ended December 31, 2013 would have increased/decreased by approximately $4.1 million (2012 - $11.9 million) as a result of changes in the fair value of common shares held.

4.9. Fair Value Estimation

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements as defined in IFRS 13 – Fair Value Measurements ("IFRS 13").

Level 1 Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.
-

Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for
- identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs which are supported by little or no market activity.
-

The following table sets forth the Company's financial assets and liabilities measured at fair value by level within the fair value hierarchy. As required by IFRS 7, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

(in thousands)	**December 31, 2013**			
	Total	Level 1	Level 2	Level 3
Trade receivables from provisional concentrate sales, net of fair value adjustment	**$ 2,457**	$ -	$ 2,457	$ -
Long-term investments - common shares held	**40,801**	40,801	-	-
Long-term investments - warrants held	**-**	-	-	-
	$ 43,258	$ 40,801	$ 2,457	$ -

(in thousands)	December 31, 2012			
	Total	Level 1	Level 2	Level 3
Trade receivables from provisional concentrate sales, net of fair value adjustment	**$ 5,909**	$ -	$ 5,909	$ -
Accrued liabilities from provisional concentrate sales related to fair value adjustment, net of trade receivable	**(634)**	-	(634)	-
Long-term investments - common shares held	**118,683**	118,683	-	-
Long-term investments - warrants held	**2,694**	-	2,694	-
	$ 126,652	$ 118,683	$ 7,969	$ -

The Company's trade receivables and accrued liabilities from provisional concentrate sales are valued based on forward prices of silver and gold until the date of final settlement (Note 5). As such, these receivables and / or liabilities are classified within Level 2 of the fair value hierarchy.

The Company's long-term investments in common shares held are valued using quoted market prices in active markets and, as such, are classified within Level 1 of the fair value hierarchy. The fair value of the long-term investments in common shares held is calculated as the quoted market price of the common share multiplied by the quantity of shares held by the Company.

The fair value of the Company's long-term investments in warrants held that do not have a quoted market price is determined by using a Black-Scholes model based on assumptions including risk free interest rate, expected dividend yield, expected volatility and expected warrant life which are supported by observable current market conditions and as such are classified within Level 2 of the fair value hierarchy. The use of reasonably possible alternative assumptions would not significantly affect the Company's results.

Cash and cash equivalents are reported at amortized cost. Other accounts receivables and accounts payables and accrued liabilities are non-interest bearing and are stated at carrying values, which approximate fair values due to the short terms to maturity. Where necessary, other receivables are reported net of allowances for uncollectable amounts.

The Company's bank debt (Note 12) is reported at amortized cost using the effective interest method. The carrying value of the bank debt approximates its fair value.

5. Revenue[1]

(in thousands)	Years Ended December 31 2013		2012	
Sales				
Silver bullion sales				
Silver credit sales	$ 428,587	61%	$ 611,468	72%
Concentrate sales	116,000	16%	159,700	19%
	$ 544,587	77%	$ 771,168	91%
Gold bullion sales				
Gold credit sales	$ 136,965	19%	$ 47,768	6%
Concentrate sales	24,920	4%	30,624	3%
	$ 161,885	23%	$ 78,392	9%
Total sales revenue	$ 706,472	100%	$ 849,560	100%

Silver and Gold Credit Sales

Under certain precious metal purchase agreements, silver and/or gold is acquired from the mine operator in the form of silver or gold credits, which is then sold through a network of third party brokers or dealers. Revenue from silver and gold credit sales is recognized at the time of the sale of such credits, which is also the date that title to the silver or gold passes to the third party dealer or broker. The Company will occasionally enter into forward contracts in relation to silver or gold deliveries that it is highly confident will occur within a given quarter. No forward contracts were outstanding at December 31, 2013 or December 31, 2012. The sales price is fixed at the delivery date based on either the terms of these short-term forward sales contracts or the spot price of silver or gold.

Concentrate Sales

Under certain precious metal purchase agreements, silver and/or gold is acquired from the mine operator in concentrate form, which is then sold under the terms of the concentrate sales contracts to third-party smelters or traders. Where the Company acquires silver or gold in concentrate form, final silver or gold prices are set on a specified future quotational period (the "Quotational Period") pursuant to the concentrate sales contracts with third-party smelters, typically one to three months after the shipment date, based on market prices for silver or gold. Revenues and the associated cost of sales are recorded on a gross basis under these contracts at the time title passes to the buyer based on the forward price for the expected settlement period. The contracts, in general, provide for a provisional payment based upon provisional assays and quoted silver and gold prices. Final settlement is based upon the average applicable price for the Quotational Period applied to the actual number of silver or gold ounces recovered calculated using confirmed smelter weights and settlement assays. Final settlement generally occurs from three to six months after shipment. The Company's provisionally priced sales contain an embedded derivative that is required to be separated from the host contract for accounting purposes. The host contract is the receivable from the sale of concentrates measured at the forward price at the time of sale. The embedded derivative does not qualify for hedge accounting. The embedded derivative is recorded on the balance sheet as a derivative asset in Accounts Receivable or as a derivative liability in Accounts Payable and Accrued Liabilities and is adjusted to fair value through revenue each period until the date of final settlement.

At December 31, 2013, the Company had outstanding provisionally priced sales of $6.6 million (December 31, 2012 - $12.7 million) where the quotational period pricing was estimated based on the forward price for silver. These sales consisted of 0.3 million ounces of silver (December 31, 2012 - 0.4 million ounces of silver) which had a fair value gain adjustment of approximately $0.2 million (December 31, 2012 - fair value loss adjustment of $1.1 million) associated with the embedded derivative.

[1] Statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" in the MD&A for material risks, assumptions and important disclosure associated with this information.

For each one cent per ounce increase or decrease in the realized silver price, revenue would increase or decrease by approximately $3,400 (December 31, 2012 - $3,800).

6. General and Administrative

(in thousands)	Note	Years Ended December 31 2013	2012
Salaries and benefits			
Salaries and benefits, excluding PSUs		$ 11,522	$ 10,173
PSUs	15.1	646	1,685
Total salaries and benefits		$ 12,168	$ 11,858
Depreciation		240	228
Charitable donations		2,710	1,857
Professional fees		3,981	2,981
Other		7,820	7,495
Cash settled general and administrative		$ 26,919	$ 24,419
Equity settled stock based compensation (a non-cash expense)		8,389	6,420
Total general and administrative		$ 35,308	$ 30,839

7. Other Expense (Income)

(in thousands)	Note	Years Ended December 31 2013	2012
Dividend income		$ (227)	$ (80)
Interest income		(204)	(1,222)
Stand-by fees		2,758	897
Loss (gain) on long-term investments - share purchase warrants held	9	2,694	(496)
Amortization of credit facility origination fees - undrawn facilities	12	1,910	-
Write off of credit facility origination fees upon the cancellation of the Bridge Facility	12	4,490	-
Other		129	84
Total other expense (income)		$ 11,550	$ (817)

Write off of credit facility origination fees upon the cancellation of the Bridge Facility

As further explained in Note 12, on February 28, 2013, the Company entered into two new unsecured credit facilities, comprised of (i) a $1 billion revolving credit facility having a 5-year term (the “Revolving Facility”); and (ii) a $1.5 billion bridge financing facility having a 1-year term (the “Bridge Facility”). The Company paid upfront costs of $11.7 million in connection with these new facilities which have been recorded under Other assets and are being amortized over the life of the respective credit facilities. On May 28, 2013, the Bridge Facility was terminated, with the remaining unamortized upfront costs of $4.5 million associated with this credit facility being fully expensed on that date.

8. Accounts Receivable

(in thousands)	Note	December 31 2013	December 31 2012
Trade receivables from provisional concentrate sales, net of fair value adjustment	5	$ 2,457	$ 5,909
Other receivables		2,162	288
Total accounts receivable		$ 4,619	$ 6,197

9. Long-Term Investments

(in thousands)	December 31 2013	December 31 2012
Common shares held	$ 40,801	$ 118,683
Warrants held	-	2,694
	$ 40,801	$ 121,377

Common Shares Held

(in thousands)	December 31, 2013 Fair Value	Fair Value Adjustment Losses Included in OCI
Bear Creek	$ 18,208	$ (25,922)
Revett	3,827	(10,997)
Sabina	8,030	(23,133)
Other	10,736	(17,829)
	$ 40,801	$ (77,881)

(in thousands)	Fair Value	December 31, 2012 Fair Value Adjustment Losses Included in OCI
Bear Creek	$ 44,130	$ (2,041)
Revett	14,824	(9,747)
Sabina	31,164	(13,013)
Other	28,565	(6,333)
	$ 118,683	$ (31,134)

Warrants Held

(in thousands)	Fair Value	**December 31, 2013** Fair Value Adjustment Losses Included in Net Earnings
Other	$ -	$ (2,694)

(in thousands)	Fair Value	December 31, 2012 Fair Value Adjustment Gains Included in Net Earnings
Other	$ 2,694	$ 496

The Company's long-term investments in common shares ("LTI's") are held for long-term strategic purposes and not for trading purposes. As such, the Company has elected to reflect any fair value adjustments as a component of other comprehensive income ("OCI").

While long-term investments in warrants are also held for long-term strategic purposes, they meet the definition of a derivative and therefore are classified as financial assets with fair value adjustments being recorded as a component of net earnings under the classification Other Expense (Income). Warrants that do not have a quoted market price have been valued using a Black-Scholes option pricing model.

By holding these long-term investments, the Company is inherently exposed to various risk factors including currency risk, market price risk and liquidity risk.

During the year ended December 31, 2013, the value of the Company's LTI's decreased by $77.9 million. As a result of this decrease, the deferred income tax liability attributable to the LTI's was reduced and during year ended December 31, 2013, the Company recorded a deferred income tax recovery in OCI of $1.8 million.

The reduction in the deferred income tax liability attributable to the LTI's resulted in the reversal of previously recognized deferred income tax assets which increased the deferred income tax expense reflected in net earnings.

Bear Creek

At December 31, 2013, Silver Wheaton owned approximately 13.3 million (December 31, 2012 – 13.3 million) common shares of Bear Creek Mining Corporation ("Bear Creek"), representing approximately 14% (December 31, 2012 – 14%) of the outstanding shares of Bear Creek. At December 31, 2013, the fair value of the Company's investment in Bear Creek was $18.2 million (December 31, 2012 - $44.1 million).

Revett

At December 31, 2013, Silver Wheaton owned 5.3 million (December 31, 2012 – 5.3 million) common shares of Revett Minerals Inc. ("Revett"), representing approximately 15% (December 31, 2012 – 15%) of the outstanding shares of Revett. During the year ended December 31, 2012, the Company acquired 0.3 million common shares of Revett from the exercise of 0.3 million Revett warrants for total consideration of $0.4 million. At December 31, 2013, the fair value of the Company's investment in Revett was $3.8 million (December 31, 2012 - $14.8 million).

Sabina

At December 31, 2013, Silver Wheaton owned 11.7 million (December 31, 2012 – 11.7 million) common shares of Sabina Gold & Silver Corp. ("Sabina"), representing approximately 6% (December 31, 2012 – 7%) of the outstanding shares of Sabina. At December 31, 2013, the fair value of the Company's investment in Sabina was $8.0 million (December 31, 2012 - $31.2 million).

Other

At December 31, 2013, Silver Wheaton owned common shares and common share purchase warrants of several other publicly traded mineral exploration, development and mining companies. As Silver Wheaton's investment represents less than 10% of the outstanding shares of each of the respective companies and is not considered material to Silver Wheaton's overall financial position, these investments have been reflected in the financial statements as part of Other long-term investments.

At December 31, 2013, the fair value of the Other long-term investments was $10.7 million (December 31, 2012 - $31.3 million).

10. Silver and Gold Interests

December 31, 2013

(in thousands)	Cost Balance Jan 1, 2013	Cost Additions	Cost Balance Dec 31, 2013	Accumulated Depletion Balance Jan 1, 2013	Accumulated Depletion Depletion	Accumulated Depletion Balance Dec 31, 2013	Carrying Amount Dec 31, 2013
Silver interests							
San Dimas	$ 190,331	$ -	$ 190,331	$ (27,395)	$ (5,444)	$ (32,839)	$ 157,492
Yauliyacu	285,292	-	285,292	(69,997)	(8,018)	(78,015)	207,277
Peñasquito	524,626	-	524,626	(37,354)	(14,983)	(52,337)	472,289
Barrick [1]	631,223	9,932	641,155	(33,487)	(6,561)	(40,048)	601,107
Other [2]	563,114	127,068	690,182	(108,437)	(31,818)	(140,255)	549,927
	$ 2,194,586	$ 137,000	$ 2,331,586	$ (276,670)	$ (66,824)	$ (343,494)	$ 1,988,092
Gold interests							
777	$ 354,454	$ 5	$ 354,459	$ (21,722)	$ (52,711)	(74,433)	$ 280,026
Sudbury	-	623,864	623,864	-	(14,410)	(14,410)	609,454
Salobo	-	1,330,311	1,330,311	-	(7,828)	(7,828)	1,322,483
Other [3]	47,774	202	47,976	(17,188)	(2,359)	(19,547)	28,429
	$ 402,228	$ 1,954,382	$ 2,356,610	$ (38,910)	$ (77,308)	$ (116,218)	$ 2,240,392
	$ 2,596,814	$ 2,091,382	$ 4,688,196	$ (315,580)	$ (144,132)	$ (459,712)	$ 4,228,484

1) Comprised of the Pascua-Lama, Lagunas Norte, Pierina and Veladero silver interests.
2) Comprised of the Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777, Aljustrel, Loma de La Plata, Constancia and Rosemont silver interests.
3) Comprised of the Minto, Constancia and Rosemont gold interests.

December 31, 2012

(in thousands)	Cost Balance Jan 1, 2012	Cost Additions	Cost Balance Dec 31, 2012	Accumulated Depletion Balance Jan 1, 2012	Accumulated Depletion Depletion	Accumulated Depletion Balance Dec 31, 2012	Carrying Amount Dec 31, 2012
Silver interests							
San Dimas	$ 190,331	$ -	$ 190,331	$ (22,804)	$ (4,591)	$ (27,395)	$ 162,936
Yauliyacu	285,292	-	285,292	(55,280)	(14,717)	(69,997)	215,295
Peñasquito	524,626	-	524,626	(19,653)	(17,701)	(37,354)	487,272
Barrick [1]	623,809	7,414	631,223	(22,724)	(10,763)	(33,487)	597,736
Other [2]	414,245	148,869	563,114	(79,775)	(28,662)	(108,437)	454,677
	$ 2,038,303	$ 156,283	$ 2,194,586	$ (200,236)	$ (76,434)	$ (276,670)	$ 1,917,916
Gold interests							
777	$ -	$ 354,454	$ 354,454	$ -	$ (21,722)	$ (21,722)	$ 332,732
Other [3]	47,774	-	47,774	(14,115)	(3,073)	(17,188)	30,586
	$ 47,774	$ 354,454	$ 402,228	$ (14,115)	$ (24,795)	$ (38,910)	$ 363,318
	$ 2,086,077	$ 510,737	$ 2,596,814	$ (214,351)	$ (101,229)	$ (315,580)	$ 2,281,234

1) Comprised of the Pascua-Lama, Lagunas Norte, Pierina and Veladero silver interests.
2) Comprised of the Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777, Aljustrel, Constancia, Loma de La Plata and Rosemont silver interests.
3) Comprised of the Minto and Rosemont gold interests.

The value allocated to reserves is classified as depletable upon a mining operation achieving commercial production and is depleted on a unit-of-sale basis over the estimated recoverable proven and probable reserves at the mine. The value associated with resources and exploration potential is allocated at acquisition and is classified as non-depletable until such time as it is transferred to the depletable category, generally as a result of the conversion of resources or exploration potential into reserves.

	December 31, 2013			December 31, 2012		
(in thousands)	Depletable	Non-Depletable	Total	Depletable	Non-Depletable	Total
Silver interests						
San Dimas	$ 26,842	$ 130,650	$ 157,492	$ 22,127	$ 140,809	$ 162,936
Yauliyacu	45,229	162,048	207,277	24,722	190,573	215,295
Peñasquito	408,420	63,869	472,289	380,145	107,127	487,272
Barrick [1, 2]	10,356	590,751	601,107	13,422	584,314	597,736
Other [3]	209,395	340,532	549,927	222,928	231,749	454,677
	$ 700,242	$1,287,850	$1,988,092	$ 663,344	$1,254,572	$1,917,916
Gold interests						
777	$ 231,925	$ 48,101	$ 280,026	$ 281,344	$ 51,388	$ 332,732
Sudbury	421,512	187,942	609,454	-	-	-
Salobo	971,504	350,979	1,322,483	-	-	-
Other [4]	20,570	7,859	28,429	22,281	8,305	30,586
	$1,645,511	$ 594,881	$2,240,392	$ 303,625	$ 59,693	$ 363,318
	$2,345,753	$1,882,731	$4,228,484	$ 966,969	$1,314,265	$2,281,234

1) Comprised of the Pascua-Lama, Lagunas Norte, Pierina and Veladero silver interests.
2) The amount reflected as depletable is based on the value of the reserves relating to the Lagunas Norte, Pierina and Veladero silver interests.
3) Comprised of the Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777, Aljustrel, Loma de La Plata, Constancia and Rosemont silver interests.
4) Comprised of the Minto, Constancia and Rosemont gold interests.

Salobo

On February 28, 2013, the Company entered into an agreement to acquire from Vale S.A. ("Vale") an amount of gold equal to 25% of the life of mine gold production from its currently producing Salobo mine, located in Brazil. Silver Wheaton made a total upfront cash payment of $1.33 billion on March 12, 2013 and, in addition, will make ongoing payments of the lesser of $400 per ounce of gold (subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of gold delivered.

Vale is in the process of expanding the mill throughput at the Salobo mine to 24 million tonnes per annum (“Mtpa”) from its current 12 Mtpa. If the expansion to 24 Mtpa is not completed by December 31, 2016, Silver Wheaton would be entitled to a gross up (a temporary increased percentage of gold production) based on the pro-rata achievement of the target production. If throughput capacity is expanded above 28 Mtpa within a predetermined period, Silver Wheaton will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 Mtpa by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 Mtpa prior to January 1, 2021.

The cost of the gold interest acquired is comprised of the following:

(in thousands)		
Cost:		
Cash	$	1,330,000
Acquisition costs		311
	$	1,330,311

Sudbury

On February 28, 2013, the Company entered into an agreement to acquire from Vale an amount of gold equal to 70% of the gold production from certain of its currently producing Sudbury mines located in Canada, including the Coleman mine, Copper Cliff mine, Garson mine, Stobie mine, Creighton mine, Totten mine and the Victor project for a period of 20 years. Silver Wheaton made a total upfront cash payment on March 12, 2013 of $570 million plus warrants to purchase 10 million shares of Silver Wheaton common stock at a strike price of $65 per warrant, with a term of 10 years (Note 14.1). In addition, Silver Wheaton will make ongoing payments of the lesser of $400 per ounce of gold or the prevailing market price per ounce of gold delivered.

The cost of the gold interest acquired is comprised of the following:

(in thousands)		
Cost:		
Cash	$	570,000
Warrants issued [1]		53,572
Acquisition costs		292
	$	623,864

1) The warrants issued have been valued using a Black-Scholes option pricing model with the following assumptions: (i) expected life – 10 years; (ii) expected annual volatility – 30%; (iii) risk free interest rate -1.91%; and (iv) expected dividend yield – 1.2%.

Constancia

On August 8, 2012, the Company entered into an agreement with Hudbay Minerals Inc. ("Hudbay") to acquire an amount equal to 100% of the life of mine silver production from the Constancia project (“Constancia”) in Peru. Silver Wheaton will pay Hudbay total cash consideration of $294.9 million, of which $169.9.9 million has been paid to date, with a further payment of $125 million to be made once capital expenditures of $1 billion have been incurred at Constancia. In addition, Silver Wheaton will make ongoing payments of the lesser of $5.90 per ounce of silver (subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of silver delivered.

On November 4, 2013, the Company amended the agreement with Hudbay to include the acquisition of an amount equal to 50%[1] of the gold production from Constancia for the life of mine. Silver Wheaton will pay Hudbay a total upfront cash payment of $135 million for the gold interest, which will be due once $1.35 billion in capital expenditures have been incurred at Constancia. Silver Wheaton has the option to make the $135 million payment in either cash or Silver Wheaton shares, with the number of shares to be determined at the time the payment is made[2]. In addition, Silver Wheaton will make ongoing payments of the lesser of $400 per ounce of gold (subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of gold delivered.

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[1] Gold recoveries will be set at 55% for the Constancia deposit and 70% for the Pampacancha deposit until 265,000 ounces of gold have been delivered to the Company.

[2] If Silver Wheaton shares are used, the number of common shares will be calculated based on the volume weighted average trading price of the Company on the Toronto Stock Exchange for the ten consecutive trading days immediately prior to the date the consideration is payable.

If the Constancia processing plant fails to achieve at least 90% of expected throughput and recovery by December 31, 2020, Silver Wheaton would be entitled to a proportionate return of the upfront cash consideration relating to Constancia. Silver Wheaton will also be entitled to additional compensation in respect of the gold stream should there be a delay in achieving completion or mining the Pampacancha deposit beyond the end of 2018.

Hudbay has granted Silver Wheaton a right of first refusal on any future streaming agreement, royalty agreement, or similar transaction related to the production of silver from Constancia.

The allocation of the cost of the asset acquisition is summarized in the table below

(in thousands)

Cost:		
Silver Interest [1]		
Cash	$	169,900
Acquisition costs		1,527
Total paid to December 31, 2013	$	171,427
Contingent liability [2]		125,000
Total cost	$	296,427
Gold Interest [3]		
Acquisition costs	$	134
Contingent liability [2]		135,000
Total cost	$	135,134
Total	$	431,561

1) The cost of the Constancia silver interest is included under Other silver interests.
2) The Company is committed to pay Hudbay additional payments of $125 million and $135 million to be made once capital expenditures of $1 billion and $1.35 billion, respectively, have been incurred at Constancia. Silver Wheaton has the option to make the $135 million payment in either cash or Silver Wheaton shares. If Silver Wheaton shares are used, the number of common shares will be calculated based on the volume weighted average trading price of the Company on the Toronto Stock Exchange for the ten consecutive trading days immediately prior to the date the consideration is payable.
3) The cost of the Constancia gold interest is included under Other gold interests.

777

On August 8, 2012, the Company entered into an agreement with Hudbay to acquire an amount equal to 100% of the life of mine silver and gold production from its currently producing 777 mine, located in Canada. Silver Wheaton's share of gold production at 777 will remain at 100% until the later of the end of 2016 or the satisfaction of a completion test relating to Hudbay's Constancia project, after which it will be reduced to 50% for the remainder of the mine life. Silver Wheaton made an upfront cash payment of $455.1 million on the closing date of September 28, 2012 and, in addition, will make ongoing payments of the lesser of $5.90 per ounce of silver and $400 per ounce of gold (both subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of silver and gold delivered. Hudbay has granted Silver Wheaton a right of first refusal on any future streaming agreement, royalty agreement, or similar transaction related to the production of silver or gold from 777.

The allocation of the cost of the asset acquisition is summarized in the table below:

(in thousands)	
Cost:	
Cash	$ 455,100
Acquisition costs	1,805
	$ 456,905
Allocated as follows:	
Silver interest [1]	$ 102,446
Gold interest	354,459
	$ 456,905

1) The cost of the 777 silver interest is included under Other silver interests.

11. Early Deposit – Gold Interest

On November 11, 2013, the Company entered into a life of mine early deposit precious metal purchase agreement (the "Early Deposit Agreement") to acquire from Sandspring Resources Ltd. ("Sandspring") an amount of gold equal to 10% of the gold production from its Toroparu project located in the Republic of Guyana, South America. Silver Wheaton will pay Sandspring total cash consideration of $148.5 million, of which $13.5 million has been paid to date, with the additional $135 million to be payable on an installment basis to partially fund construction of the mine. In addition, Silver Wheaton will make ongoing payments of the lesser of $400 per ounce of gold (subject to an inflationary adjustment of 1% beginning in the fourth year) or the prevailing market price per ounce of gold delivered. Under the Early Deposit Agreement, there will be a 90 day period following the delivery of a bankable definitive feasibility study, environmental study and impact assessment, and other related documents (collectively, the "Feasibility Documentation"), or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, where Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

12. Bank Debt

	December 31, 2013				
(in thousands)	Term Loan	NRT Loan	Revolving Facility	Bridge Facility	**Total**
Current portion	$ -	$ -	$ -	$ -	**$ -**
Long-term portion	-	1,000,000	-	-	**1,000,000**
Gross bank debt outstanding	$ -	$ 1,000,000	$ -	$ -	**$ 1,000,000**
Less: unamortized debt issue costs[1]	-	(1,864)	-	-	**(1,864)**
Net bank debt outstanding	$ -	$ 998,136	$ -	$ -	**$ 998,136**
Interest capitalized during the period	$ 75	$ 7,331	$ 41	$ 4,425	**$ 11,872**
Interest expensed during the period	-	2,958	1,407	1,718	**6,083**
Total interest incurred during the period	$ 75	$ 10,289[2]	$ 1,448[3]	$ 6,143[4]	**$ 17,955**
Effective interest rate	1.11%	1.71%	1.87%	3.16%	**2.04%**

1) In addition to the $1.9 million unamortized debt issue costs associated with the NRT Loan, there is $4.2 million unamortized debt issue costs associated with the Revolving Facility which have been recorded as an asset under the classification Other.
2) Interest costs incurred under the NRT Loan during year ended December 31, 2013 includes the amortization of debt issue costs in the amount of $456,000.
3) Interest costs incurred under the Revolving Facility during the year ended December 31, 2013 includes the amortization of debt issue costs in the amount of $77,000.
4) Interest costs incurred under the Bridge Facility during year ended December 31, 2013 includes the amortization of debt issue costs in the amount of $973,000, in addition to a funding fee of $1.5 million, with the latter representing 0.25% of the outstanding amount under the Bridge Facility at April 30, 2013.

(in thousands)	December 31, 2012 Term Loan	Revolving Loan	Total
Current portion	$ 28,560	$ -	**$ 28,560**
Long-term portion	21,500	-	**21,500**
	$ 50,060	$ -	**$ 50,060**
Interest capitalized during the year	$ 714	$ -	**$ 714**
Effective interest rate	1.12%	0.00%	**1.12%**

On February 28, 2013, the Company entered into two new unsecured credit facilities, comprised of (i) a $1 billion revolving credit facility having a 5-year term (the "Revolving Facility"); and (ii) a $1.5 billion bridge financing facility having a 1-year term (the "Bridge Facility"). The Revolving Facility and Bridge Facility replaced the $400 million revolving term loan and the $200 million non-revolving term loan (the "Term Loan"), with the Company repaying the $50.1 million outstanding balance on the Term Loan during the three months ended March 31, 2013. The Company paid upfront costs of $11.7 million in connection with these new facilities which have been recorded as an asset under the classification Other and are being amortized over the life of the respective credit facility.

On March 11, 2013, the Company made a drawdown on the Bridge Facility of $1.09 billion to partially fund the upfront cash payment on the acquisition of the Sudbury and Salobo gold interests (Note 10). On April 8, 2013, the Company elected to reduce the amount available under the Bridge Facility to the then outstanding balance of $1.09 billion. On April 29, 2013, the Company made a drawdown of $500 million under the Revolving Facility, using the proceeds to partially repay the amounts outstanding under the Bridge Facility, with a further repayment of $30 million being made under the Bridge Facility on May 10, 2013.

On May 28, 2013, the Company entered into a $1 billion non-revolving term loan ("NRT Loan") with a 3-year term extendable by 1 year with the unanimous consent of lenders. The $1 billion proceeds were used to repay the remaining outstanding balance of $560 million under the Bridge Facility and $440 million of the balance outstanding under the Revolving Facility. The Bridge Facility was terminated following the repayment of the outstanding balance.

The NRT Loan has been presented net of unamortized transaction costs in the amount of $1.9 million. The transaction costs are being amortized as a component of interest over the life of the facility.

The Revolving Facility can be drawn down at any time to finance acquisitions, investments or for general corporate purposes.

Amounts drawn under the Bridge Facility incurred interest at LIBOR plus 1.70%. A funding fee of 0.25% was applicable to any amounts outstanding under the Bridge Facility at April 30, 2013.

At the Company's option, amounts drawn under the Revolving Facility and the NRT Loan incur interest based on the Company's leverage ratio at either (i) LIBOR plus 1.20% to 2.20% or; (ii) the Bank of Nova Scotia's Base Rate plus 0.20% to 1.20%.

Undrawn amounts under the Revolving Facility are subject to a stand-by fee of 0.24% to 0.44% per annum, dependent on the Company's leverage ratio.

Under the new credit facilities, the Company is required to maintain a leverage ratio less than or equal to 3.5:1 (4.5:1 during the six month period following any acquisition greater than $400 million) and a tangible net worth greater than 80% of the tangible net worth at September 30, 2012 plus 50% of the positive net earnings for each fiscal quarter thereafter.

The Company is in compliance with the debt covenants described above.

The Company's bank debt is classified as a financial liability and reported at amortized cost using the effective interest method.

The required principal payments under the NRT Loan and the Revolving Facility over the remaining terms are as follows:

Fiscal Year	NRT Loan	Revolving Facility	**Total**
2014	$ -	$ -	**$ -**
2015	-	-	**-**
2016	1,000,000	-	**1,000,000**
2017	-	-	**-**
2018	-	-	**-**
	$ 1,000,000	$ -	**$ 1,000,000**

13. Issued Capital

(US dollars in thousands)	Note	December 31 2013	December 31 2012
Issued capital			
Share capital issued and outstanding: 357,396,778 common shares (December 31, 2012: 354,375,852 common shares)	13.1	$ 1,879,475	$ 1,811,577

13.1. Shares Issued

The Company is authorized to issue an unlimited number of common shares having no par value and an unlimited number of preference shares issuable in series. As at December 31, 2013, the Company had no preference shares outstanding.

A continuity schedule of the Company's issued and outstanding common shares from January 1, 2012 to December 31, 2013 is presented below:

	Number of Shares	Weighted Average Price
At January 1, 2012	353,499,816	
Share purchase options exercised	721,632	Cdn$15.17
Share purchase warrants exercised	93,897	US$20.00
Restricted share units released	60,507	$0.00
At December 31, 2012	354,375,852	
Share purchase options exercised	415,133	Cdn$15.65
Share purchase warrants exercised	2,586,794	US$20.00
Restricted share units released	18,999	$0.00
At December 31, 2013	**357,396,778**	

13.2. Dividends Declared

During the year ended December 31, 2013, the Company declared and paid to its shareholders dividends in the amount of $0.45 per common share for total dividends of $160.0 million (2012 - $0.35 per common share for total dividends of $123.9 million).

14. Reserves

(in thousands)	Note	December 31 2013	December 31 2012
Reserves			
Share purchase warrants	14.1	$ 53,717	$ 7,201
Share purchase options	14.2	19,443	14,050
Restricted share units	14.3	2,833	2,553
Long-term investment revaluation reserve, net of tax	14.4	(101,611)	(25,514)
Total reserves		$ (25,618)	$ (1,710)

14.1. Share Purchase Warrants

A continuity schedule of the Company's share purchase warrants ("warrants") from January 1, 2012 to December 31, 2013 is presented below:

	Warrants Outstanding	Weighted Average Exercise Price	Exchange Ratio	Share Purchase Warrants Reserve
At January 1, 2012	2,713,237	$20.00	1.00	$ 7,457
Exercised	(93,897)	20.00	1.00	(256)
At December 31, 2012	2,619,340	$20.00	1.00	$ 7,201
Issued	10,000,000	65.00	1.00	53,572
Exercised	(2,586,794)	20.00	1.00	(7,056)
Expired	(32,546)	20.00	1.00	-
At December 31, 2013	**10,000,000**	**$65.00**	**1.00**	**$ 53,717**

The warrants with an exercise price of $20.00, which traded on the TSX under the symbol SLW.WT.U, expired on September 5, 2013.

In connection with the Company's acquisition of the Sudbury gold purchase agreement (Note 10), on February 28, 2013, the Company issued to Vale warrants to purchase 10 million shares of Silver Wheaton common stock at an exercise price of $65 per warrant. The warrants, which expire on February 28, 2023, were valued using a Black-Scholes option pricing model.

Each warrant entitles the holder the right to purchase one of the Company's common shares.

14.2. Share Purchase Options

The Company has established an equity settled share purchase option plan whereby the Company's Board of Directors may, from time to time, grant options to employees or consultants. The maximum term of any share purchase option may be ten years, but generally options are granted for five years. The exercise price of an option is not less than the closing price on the TSX on the last trading day preceding the grant date. The vesting period of the options is determined at the discretion of the Company's Board of Directors at the time the options are granted, but generally vest over a period of two years.

Each share purchase option converts into one ordinary share of Silver Wheaton on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options do not carry rights to dividends or voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry, subject to certain black-out periods.

The Company expenses the fair value of share purchase options that are expected to vest on a straight-line basis over the vesting period using the Black-Scholes option pricing model to estimate the fair value for each option at the date of grant. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions. The model requires the use of subjective assumptions, including expected stock price volatility; historical data has been considered in setting the assumptions. Expected volatility is determined by considering the trailing 30-month historic average share price volatility. The weighted average fair value of share purchase options granted and principal assumptions used in applying the Black-Scholes option pricing model are as follows:

	Years Ended December 31	
	2013	2012
Black-Scholes weighted average assumptions		
Grant date share price and exercise price	Cdn$31.29	Cdn$32.29
Expected dividend yield	1.12%	1.21%
Expected volatility	40%	45%
Risk-free interest rate	1.07%	1.20%
Expected option life, in years	2.5	2.5
Weighted average fair value per option granted	Cdn$7.50	Cdn$8.66

A continuity schedule of the Company's share purchase options reserve from January 1, 2012 to December 31, 2013 is presented below:

(in thousands)	Share Purchase Options Reserve
At January 1, 2012	$ 12,314
Recognition of fair value of share purchase options issued	5,191
Share purchase options exercised	(3,455)
At December 31, 2012	$ 14,050
Recognition of fair value of share purchase options issued	7,454
Share purchase options exercised	(2,061)
At December 31, 2013	**$ 19,443**

During the year ended December 31, 2013, the Company issued 1,213,000 share purchase options with a weighted average exercise price of Cdn$31.29 and a fair value of $8.9 million or Cdn$7.50 per option. For the comparable period in 2012, the Company issued 591,000 share purchase options with a weighted average exercise price of Cdn$32.29 and a fair value of $5.1 million or Cdn$8.66 per option.

Equity settled stock based compensation expense during the year ended December 31, 2013 included the recognition of $7.5 million of the fair value of the share purchase options issued, compared to $5.2 million during the comparable period in 2012.

At December 31, 2013, there were 3,029,762 share purchase options outstanding with a weighted average exercise price of Cdn$27.28 per option. For the comparable period in 2012, there were 2,331,695 share purchase options outstanding with a weighted average exercise price of Cdn$23.91 per option.

The following table summarizes information about the options outstanding and exercisable at December 31, 2013:

Exercise Price (Cdn$)	Exercisable Options	Non-Exercisable Options	Total Options Outstanding	Weighted Average Remaining Contractual Life
$9.08	261,665	-	261,665	0.1 years
$15.89	534,164	-	534,164	1.2 years
$15.95	33,333	-	33,333	1.2 years
$23.45	-	70,000	70,000	4.4 years
$23.80	-	3,000	3,000	4.4 years
$25.72	-	20,000	20,000	4.7 years
$28.14	40,000	40,000	80,000	3.5 years
$28.59	40,000	40,000	80,000	3.4 years
$29.50	100,000	-	100,000	3.0 years
$30.51	7,500	7,500	15,000	3.6 years
$31.20	-	109,000	109,000	4.2 years
$31.88	-	1,011,000	1,011,000	4.2 years
$33.03	10,000	-	10,000	2.4 years
$33.71	178,450	178,450	356,900	3.2 years
$34.17	118,100	-	118,100	2.4 years
$34.55	5,000	5,000	10,000	4.0 years
$39.25	5,000	5,000	10,000	3.9 years
$41.58	207,600	-	207,600	2.2 years
	1,540,812	**1,488,950**	**3,029,762**	**2.9 years**

A continuity schedule of the Company's outstanding share purchase options from January 1, 2012 to December 31, 2013 is presented below:

	Number of Options Outstanding	Weighted Average Exercise Price
At January 1, 2012	2,561,127	Cdn$19.60
Granted (fair value - $5.1 million or Cdn$8.66 per option)	591,000	32.29
Exercised	(721,632)	15.17
Forfeited	(98,800)	35.76
At December 31, 2012	2,331,695	Cdn$23.91
Granted (fair value - $8.9 million or Cdn$7.50 per option)	1,213,000	31.29
Exercised	(415,133)	15.65
Expired	(92,000)	41.58
Forfeited	(7,800)	35.85
At December 31, 2013	**3,029,762**	**Cdn$27.28**

As it relates to share purchase options, during the year ended December 31, 2013, the weighted average share price at the time of exercise was Cdn$28.37 per share, as compared to Cdn$34.49 per share during the comparable period in 2012.

14.3. Restricted Share Units ("RSUs")

RSUs give the holder the right to receive a specified number of common shares at the specified vesting date. RSUs generally vest over a period of two years. Compensation expense related to RSUs is recognized over the vesting period based upon the fair value of the Company's common shares on the grant date and the awards that are expected to vest. The fair value is calculated with reference to the closing price of the Company's common shares on the TSX on the business day prior to the date of grant.

RSU holders receive a cash payment based on the dividends paid on the Company's common shares in the event that the holder of a vested RSU has elected to defer the release of the RSU to a future date. This cash payment is reflected as a component of net earnings under the classification General and Administrative.

A continuity schedule of the Company's restricted share units reserve from January 1, 2012 to December 31, 2013 is presented below:

(in thousands)	Restricted Share Units Reserve
At January 1, 2012	$ 2,510
Amortization of fair value of RSUs issued	1,229
Restricted share units released	(1,186)
At December 31, 2012	$ 2,553
Amortization of fair value of RSUs issued	935
Restricted share units released	(655)
At December 31, 2013	**$ 2,833**

During the year ended December 31, 2013, the Company issued 37,500 RSUs with a fair value of $1.1 million or Cdn$30.85 per RSU. For the same period in 2012, the Company issued 33,500 RSUs with a fair value of $1.1 million or Cdn$33.71 per RSU.

Equity settled stock based compensation expense during the year ended December 31, 2013 included the recognition of $0.9 million of the fair value of RSUs issued, compared to $1.2 million during the comparable period in 2012.

At December 31, 2013, there were 148,692 RSUs outstanding. For the comparable period in 2012, there were 130,191 RSUs outstanding.

14.4. Long-Term Investment Revaluation Reserve

The Company's long-term investments in common shares (Note 9) are held for long-term strategic purposes and not for trading purposes. Upon the application of IFRS 9, Financial Instruments, the Company has chosen to designate these long-term investments in common shares as financial assets with fair value adjustments being recorded as a component of OCI as it believes that this provides a more meaningful presentation for long-term strategic investments, rather than reflecting changes in fair value as a component of net earnings. As some of these long-term investments are denominated in Canadian dollars, changes in their fair value is affected by both the change in share price in addition to changes in the Cdn$/US$ exchange rate.

Where the fair value of a long-term investment in common shares held exceeds its tax cost, the Company recognizes a deferred income tax liability. To the extent that the value of the long-term investment subsequently declines, the deferred income tax liability is reduced. However, where the fair value of the long-term investment decreases below the tax cost, the Company does not recognize a deferred income tax asset on the unrealized capital loss unless it is probable that the Company will generate future capital gains to offset the loss.

A continuity schedule of the Company's long-term investment revaluation reserve from January 1, 2012 to December 31, 2013 is presented below:

	Change in Fair Value due to:			
(in thousands)	Share Price	Foreign Exchange	Tax Effect	Total
At January 1, 2012	$ (14,862)	$ 21,726	$ (3,723)	$ 3,141
Unrealized (loss) gain on LTI's [1]	(34,806)	3,672	-	(31,134)
Deferred income tax recovery	-	-	2,479	2,479
At December 31, 2012	$ (49,668)	$ 25,398	$ (1,244)	$ (25,514)
Unrealized loss on LTI's [1]	(74,076)	(3,805)	-	(77,881)
Deferred income tax recovery	-	-	1,784	1,784
At December 31, 2013	**$(123,744)**	**$ 21,593**	**$ 540**	**$(101,611)**

1) LTI's refers to long-term investments in common shares held.

15. Stock Based Compensation

The Company's stock based compensation consists of share purchase options (Note 14.2), restricted share units (Note 14.3) and performance share units (Note 15.1). The accrued value of share purchase options and restricted share units are reflected as reserves in the shareholder's equity section of the Company's balance sheet while the accrued value associated with performance share units is reflected as an accrued liability.

15.1. Performance Share Units ("PSUs")

The Company has established a Performance Share Unit Plan ("the PSU plan") whereby PSUs will be issued to eligible employees as determined by the Company's Board of Directors or the Company's Compensation Committee. PSUs issued under the PSU plan entitle the holder to a cash payment at the end of a three year performance period equal to the number of PSUs granted, multiplied by a performance factor and multiplied by the fair market value of a Silver Wheaton common share on the expiry of the performance period.

The performance factor can range from 0% to 200% and is determined by comparing the Company's total shareholder return to those achieved by various peer companies, the price of silver and the Philadelphia Gold and Silver Index.

The PSUs accumulate dividend equivalents in the form of additional units based on the dividends paid on the Company's common shares. Compensation expense for the PSUs is recorded on a straight-line basis over the three year vesting period. The amount of compensation expense is adjusted at the end of each reporting period to reflect (i) the fair value of common shares; (ii) the number of PSUs anticipated to vest; and (iii) the anticipated performance factor.

During the year ended December 31, 2013, the Company issued 163,000 PSUs as compared to 76,700 PSUs during the comparable period of the previous year.

General and administrative expense during the year ended December 31, 2013 included a $0.6 million accrual related to the anticipated fair value of the PSUs issued using a performance factor ranging from 85% to 144%, compared to a $1.7 million accrual during the comparable period in 2012 using a performance factor ranging from 132% to 167%.

A continuity schedule of the Company's outstanding PSUs (assuming a performance factor of 100% is achieved over the performance period) from January 1, 2012 to December 31, 2013 is presented below:

	Number of PSUs outstanding
At January 1, 2012	41,913
Granted	76,700
Forfeited	(10,774)
Dividend equivalent participation	1,172
At December 31, 2012	109,011
Granted	163,000
Dividend equivalent participation	4,901
At December 31, 2013	**276,912**

16. Earnings Per Share ("EPS") and Diluted Earnings Per Share ("Diluted EPS")

Diluted earnings per share is calculated using the treasury method which assumes that outstanding share purchase options and warrants, with exercise prices that are lower than the average market price for the relevant period, are exercised and the proceeds are used to purchase shares of the Company at the average market price of the common shares for the relevant period.

Diluted EPS is calculated based on the following weighted average number of shares outstanding:

	Years Ended December 31	
(in thousands)	**2013**	2012
Basic weighted average number of shares outstanding	355,588	353,874
Effect of dilutive securities		
Share purchase options	463	934
Share purchase warrants	402	1,061
Restricted share units	142	139
Diluted weighted average number of shares outstanding	356,595	356,008

The following table lists the number of share purchase options and share purchase warrants excluded from the computation of diluted earnings per share because the exercise prices exceeded the average market value of the common shares of Cdn$26.41, compared to Cdn$32.95 for the comparable period in 2012.

	Years Ended December 31	
(in thousands)	**2013**	2012
Share purchase options	2,108	812
Share purchase warrants	10,000	-
Total	12,108	812

17. Supplemental Cash Flow Information

	Years Ended December 31	
(in thousands)	**2013**	2012
Change in non-cash working capital		
Accounts receivable	$ 1,549	$ (2,307)
Accounts payable and accrued liabilities	(582)	12,418
Other	121	255
Total change in non-cash working capital	$ 1,088	$ 10,366

	December 31	December 31
(in thousands)	**2013**	2012
Cash and cash equivalents comprised of:		
Cash	$ 95,823	$ 375,262
Cash equivalents	-	402,954
Total cash and cash equivalents	$ 95,823	$ 778,216

Cash equivalents include short-term deposits, treasury bills, commercial paper, bankers' depository notes and bankers' acceptances with terms to maturity of less than three months.

18. Related Party Transactions

Compensation of Key Management Personnel

Key management personnel compensation, including directors, is as follows:

(in thousands)	Years Ended December 31 2013	2012
Short-term benefits [1]	$ 6,480	$ 6,678
Post-employment benefits	47	57
Cash settled stock based compensation	423	1,311
Equity settled stock based compensation (a non-cash expense)	5,273	4,232
Total executive compensation	$ 12,223	$ 12,278

1) Short-term employee benefits include salaries, bonuses payable within twelve months of the balance sheet date and other annual employee benefits.

19. Post-Employment Benefit Costs

The Company sponsors a Group Registered Retirement Savings Plan ("RRSP") for all qualified employees. Participants in the plan can elect to contribute up to the lesser of (i) 50% of the RRSP contribution limit as established under the Canadian Income Tax Act or (ii) 9% of their annual base salary, and the Company will match this contribution. The assets of the Group RRSP are held separately from those of the Company in independently administered funds.

General and administrative expense during 2013 included $208,000 of contributions to the Group RRSP plan made by the Company, as compared to $197,000 during 2012.

20. Income Taxes

Income tax recognized in net earnings is comprised of the following:

(in thousands)	Years Ended December 31 2013	2012
Current income tax expense related to foreign jurisdictions	$ 154	$ 725
Deferred income tax (recovery) expense		
Origination and reversal of temporary differences [1]	$ (7,381)	$ 11,614
Write down (reversal of write down) of previously recognized temporary differences	2,106	2,416
	$ (5,275)	$ 14,030
Income tax (recovery) expense recognized in net earnings	$ (5,121)	$ 14,755

1) During the year ended December 31, 2013, the Company changed its estimated tax rate associated with the temporary difference related to capitalized interest on certain of the Company's precious metal purchase agreements, resulting in the reversal of a deferred tax liability in the amount of $9.9 million.

Income tax recognized in OCI is comprised of the following:

(in thousands)	Years Ended December 31 2013	2012
Deferred income tax recovery related to the losses on long-term investments - common shares held	$ (1,784)	$ (2,479)

The provision for income taxes differs from the amount that would be obtained by applying the statutory income tax rate to consolidated earnings before income taxes due to the following:

(in thousands)	Years Ended December 31 2013	2012
Earnings before income taxes	$ 370,374	$ 600,791
Canadian federal and provincial income tax rates[1]	25.75%	25.00%
Income tax expense based on above rates	$ 95,371	$ 150,198
Non-deductible portion of capital losses (non-taxable portion of capital gains)	347	(62)
Non-deductible stock based compensation and other	2,533	1,639
Differences in tax rates in foreign jurisdictions	(105,498)	(139,436)
Impact of tax rate changes	(66)	-
Change in unrecognized temporary differences	2,192	2,416
Income tax (recovery) expense	$ (5,121)	$ 14,755

1) The BC corporate tax rate increased from 10% to 11% on April 1, 2013, resulting in an increase in the Company's statutory tax rate from 25% to 25.75% for 2013.

The majority of the Company's income generating activities, including the sale of silver and gold, is conducted by its 100% owned subsidiaries SW Caymans and, prior to the current year, SST Barbados. SW Caymans operates in the Cayman Islands and is subject to a statutory tax rate of 0% and SST Barbados operated in Barbados and was subject to a statutory tax rate of between 0.5% and 2.5%.

The movement in deferred income tax assets and liabilities for the years ended December 31, 2013 and December 31, 2012 is shown below:

Recognized deferred income tax assets and liabilities	Year Ended December 31, 2013 Opening Balance	Recovery (Expense) Recognized In Net Earnings	Recovery Recognized In OCI	Recognized In Shareholders' Equity	Closing Balance
Deferred tax assets					
Non-capital losses	$ 9,419	$ 3,018	$ -	$ -	$ 12,437
Financing fees	1,279	446	-	-	1,725
Capital losses	2,304	(2,304)	-	-	-
Other	669	664	-	-	1,333
Deferred tax liabilities					
Interest capitalized for accounting	(9,949)	9,865	-	-	(84)
Foreign exchange on debt	(268)	268	-	-	-
Long-term investments	(2,036)	252	1,784	-	-
Silver and gold interests	(10,668)	(6,879)	-	-	(17,547)
Other	-	(55)	-	-	(55)
Total	$ (9,250)	$ 5,275	$ 1,784	$ -	$ (2,191)

Recognized deferred income tax assets and liabilities	Year Ended December 31, 2012 Opening Balance	Recovery (Expense) Recognized In Net Earnings	Recovery Recognized In OCI	Recognized In Shareholders' Equity	Closing Balance
Deferred tax assets					
Non-capital losses	$ 12,738	$ (3,319)	$ -	$ -	$ 9,419
Financing fees	2,695	(1,416)	-	-	1,279
Capital losses	4,846	(2,542)	-	-	2,304
Other	290	379	-	-	669
Deferred tax liabilities					
Interest capitalized for accounting	(10,129)	180	-	-	(9,949)
Foreign exchange on debt	(421)	153	-	-	(268)
Long-term investments	(4,425)	(90)	2,479	-	(2,036)
Silver and gold interests	(3,293)	(7,375)	-	-	(10,668)
Total	$ 2,301	$ (14,030)	$ 2,479	$ -	$ (9,250)

The recognized deferred income tax assets and liabilities are offset on the balance sheet. Deferred income tax assets in Canada not recognized are shown below:

	December 31 2013	December 31 2012
Capital losses	$ 8,747	$ 6,386
Unrealized losses on long-term investments	14,298	5,712
Total	$ 23,045	$ 12,098

The temporary difference relating to investments in foreign subsidiaries that would be taxable on repatriation is $27 million. As the Company can control the timing of and manner in which funds are repatriated and it does not plan to repatriate funds to Canada in the foreseeable future that would be subject to tax, no deferred income tax liability has been recognized.

At December 31, 2013, the Company has available non-capital losses for Canadian income tax purposes which may be carried forward to reduce taxable income in future years. If not utilized, the non-capital losses in the amount of $47.9 million will expire as follows: 2028 – $27.8 million, 2029 - $9.4 million, 2033 - $10.7 million. In addition, the Company has available net capital losses of $33.6 million for Canadian income tax purposes which may be carried forward indefinitely to reduce taxable capital gains in future years.

21. Commitments and Contingencies[1]

The following table summarizes the Company's commitments to pay for silver and gold to which it has the contractual right pursuant to the precious metal purchase agreements:

Silver and Gold Interests	Attributable Payable Production to be Purchased		Per Ounce Cash Payment [1, 2]		Term of Agreement	Date of Contract
	Silver	Gold	Silver	Gold		
San Dimas	100% [3]	0%	$ 4.16	n/a	Life of Mine	15-Oct-04
Yauliyacu	100% [4]	0%	$ 4.12	n/a	20 years	23-Mar-06
Peñasquito	25%	0%	$ 4.02	n/a	Life of Mine	24-Jul-07
777	100%	100%/50% [5]	$ 5.90[6]	$ 400[6]	Life of Mine	8-Aug-12
Salobo	0%	25%	n/a	$ 400	Life of Mine	28-Feb-13
Sudbury	0%	70%	n/a	$ 400	20 years	28-Feb-13
Barrick						
Pascua-Lama	25%	0%	$ 3.90	n/a	Life of Mine	8-Sep-09
Lagunas Norte	100%	0%	$ 3.90	n/a	6 years [7]	8-Sep-09
Pierina	100%	0%	$ 3.90	n/a	6 years [7]	8-Sep-09
Veladero	100% [8]	0%	$ 3.90	n/a	6 years [7]	8-Sep-09
Other						
Los Filos [3]	100%	0%	$ 4.20	n/a	25 years	15-Oct-04
Zinkgruvan	100%	0%	$ 4.21	n/a	Life of Mine	8-Dec-04
Stratoni	100%	0%	$ 4.06	n/a	Life of Mine	23-Apr-07
Minto	100%	100% [9]	$ 4.02	$ 309	Life of Mine	20-Nov-08
Cozamin	100%	0%	$ 4.16	n/a	10 years	4-Apr-07
Neves-Corvo	100%	0%	$ 4.06	n/a	50 years	5-Jun-07
Aljustrel	100%	0%	$ 4.02	n/a	50 years	5-Jun-07
Mineral Park	100%	0%	$ 3.94	n/a	Life of Mine	17-Mar-08
Campo Morado	75%	0%	$ 3.98	n/a	Life of Mine	13-May-08
Keno Hill	25%	0%	$ 3.90	n/a	Life of Mine	2-Oct-08
Rosemont	100%	100%	$ 3.90	$ 450	Life of Mine	10-Feb-10
Loma de La Plata	12.5%	0%	$ 4.00	n/a	Life of Mine	n/a [10]
Constancia	100%	50% [11]	$ 5.90[6]	$ 400[6]	Life of Mine	8-Aug-12
Early Deposit						
Toroparu	100%	10% [12]	n/a	$ 400	Life of Mine	11-Nov-13

1) Subject to an annual inflationary adjustment with the exception of Loma de La Plata and Sudbury.
2) Should the prevailing market price for silver or gold be lower than this amount, the per ounce cash payment will be reduced to the prevailing market price, with the exception of Yauliyacu.
3) Until August 6, 2014, Silver Wheaton is committed to purchase from Primero a per annum amount equal to the first 3.5 million ounces of payable silver produced at San Dimas and 50% of any excess, plus Silver Wheaton is committed to purchase an additional 1.5 million ounces of silver per annum to be delivered by Goldcorp for a per ounce cash payment equal to that applicable under the Los Filos silver purchase agreement. After August 6, 2014, Silver Wheaton is committed to purchase from Primero a per annum amount equal to the first 6 million ounces of payable silver produced at San Dimas and 50% of any excess.
4) To a maximum of 4.75 million ounces per annum. In the event that silver sold and delivered to Silver Wheaton in any year totals less than 4.75 million ounces, the amount sold and delivered to Silver Wheaton in subsequent years will be increased to make up for any cumulative shortfall, to the extent production permits. The cumulative shortfall as at March 23, 2013, representing the seven year anniversary, was 15.2 million ounces.
5) The Company's share of gold production at 777 will remain at 100% until the later of the end of 2016 or the satisfaction of a completion test relating to Hudbay's Constancia project, after which it will be reduced to 50% for the remainder of the mine life.
6) Subject to an increase to $9.90 per ounce of silver and $550 per ounce of gold after the initial 40 year term.
7) The Company is committed to purchase silver production from the currently producing mines until December 31, 2016.
8) Silver Wheaton's attributable silver production is subject to a maximum of 8% of the silver contained in the ore processed at Veladero during the period.
9) The Company is committed to acquire 100% of the first 30,000 ounces of gold produced per annum and 50% thereafter.
10) Terms of the agreement not yet finalized.
11) Gold recoveries will be set at 55% for the Constancia deposit and 70% for the Pampacancha deposit until 265,000 ounces of gold have been delivered to the Company.
12) During the 90 day period following the delivery of a bankable definitive feasibility study, environmental study and impact assessment, and other related documents (collectively, the "Feasibility Documentation"), or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

[1] Statements made in this section contain forward-looking information. Please see "Cautionary Note Regarding Forward-Looking Statements" in the MD&A for material risks, assumptions and important disclosure associated with this information.

Other Contractual Obligations and Contingencies

(in thousands)	Obligations With Scheduled Payment Dates					Other	
	2014	2015 - 2017	2018 - 2019	After 2019	**Sub-Total**	Commitments	**Total**
Bank debt [1]	$ -	$ 1,000,000	$ -	$ -	**$ 1,000,000**	$ -	**$ 1,000,000**
Interest [2]	14,620	23,620	-	-	**38,240**	-	**38,240**
Silver and gold interest payments [3]							
Rosemont	-	-	-	-	**-**	231,150	**231,150**
Loma de La Plata	-	-	-	-	**-**	32,400	**32,400**
Constancia	-	-	-	-	**-**	260,000	**260,000**
Toroparu	-	-	-	-	**-**	135,000	**135,000**
Operating leases	485	3,500	2,162	5,680	**11,827**	-	**11,827**
Total contractual obligations	$ 15,105	$ 1,027,120	$ 2,162	$ 5,680	**$ 1,050,067**	$ 658,550	**$ 1,708,617**

1) At December 31, 2013, the Company had $1.0 billion outstanding on the NRT Loan and $Nil outstanding on the Revolving Facility.
2) As the applicable interest rates are floating in nature, the interest charges are estimated based on market-based forward interest rate curves at the end of the reporting period.
3) Does not reflect the contingent payment due related to the Salobo gold purchase agreement (see Salobo section, below).
4) Includes contingent transaction costs of $1.1 million.

Rosemont

In connection with the Rosemont precious metal purchase agreement, the Company is committed to pay Augusta Resource Corporation total upfront cash payments of $230 million, payable on an installment basis to partially fund construction of the Rosemont mine once certain milestones are achieved, including the receipt of key permits and securing the necessary financing to complete construction of the mine.

Loma de La Plata

In connection with the Company's election to convert the debenture with Pan American Silver Corp. ("Pan American") into a silver purchase agreement, the Company is committed to pay Pan American total upfront cash payments of $32.4 million following the satisfaction of certain conditions, including Pan American receiving all necessary permits to proceed with the mine construction.

Constancia

In connection with the Constancia precious metal purchase agreement, the Company is committed to pay Hudbay additional payments of $125 million and $135 million to be made once capital expenditures of $1 billion and $1.35 billion, respectively, have been incurred at Constancia. Silver Wheaton has the option to make the $135 million payment in either cash or Silver Wheaton shares, with the number of shares to be determined at the time the payment is made[1].

Salobo

Vale is in the process of expanding the mill throughput capacity at the Salobo mine (Note 10) to 24 million tonnes per annum ("Mtpa") from its current 12 Mtpa. If throughput capacity is expanded above 28 Mtpa within a predetermined period, Silver Wheaton will be required to make an additional payment to Vale based on a set fee schedule ranging from $67 million if throughput capacity is expanded to 28 Mtpa by January 1, 2031 up to $400 million if throughput capacity is expanded to 40 Mtpa prior to January 1, 2021.

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1 If Silver Wheaton shares are used, the number of common shares will be calculated based on the volume weighted average trading price of the Company on the Toronto Stock Exchange for the ten consecutive trading days immediately prior to the date the consideration is payable.

Toroparu

In connection with the Toroparu early deposit precious metal purchase agreement, the Company is committed to pay Sandspring additional payments of $135 million on an installment basis to partially fund construction of the mine. During the 90 day period following the delivery of the Feasibility Documentation, or after December 31, 2015 if the Feasibility Documentation has not been delivered to Silver Wheaton by such date, Silver Wheaton may elect not to proceed with the precious metal purchase agreement, at which time Silver Wheaton will be entitled to a return of the early deposit of $11.5 million (on the basis that $2 million of the advanced $13.5 million is non-refundable) or, at Sandspring's option, the stream percentage will be reduced from 10% to 0.774% (equivalent to the pro-rata stream based on a full purchase price of $11.5 million).

Other[1]

Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time, including an audit (the "CRA Audit") by the Canada Revenue Agency (the "CRA") of the Company's international transactions covering the 2005 to 2010 taxation years, which is currently ongoing. The Company has not received any notice of reassessment for the 2005 to 2010 taxation years in connection with the CRA Audit. In the event that CRA issues one or more notices of reassessment for material amounts of tax, interest and penalties, the Company is prepared to vigorously defend its position.

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. Based on information available to management at March 20, 2014, the outstanding legal and tax matters are not expected to have a material adverse effect on the Company. However, if the Company is unable to resolve any of these matters favorably, or if CRA issues one or more notices of reassessment for material amounts of tax, interest and penalties, there may be a material adverse impact on the Company's financial performance, cash flows or results of operations. In the event that management's estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements in the appropriate period relative to when such changes occur.

1The assessment by management of the expected impact of the CRA Audit on the Company is "forward-looking information". Statements in respect of the impact of the CRA Audit are based on the expectation that the Company will be successful in challenging any assessment by CRA. Statements in respect of the CRA Audit are subject to known and unknown risks including that the Company's interpretation of, or compliance with, tax laws, is found to be incorrect. Please see "Cautionary Note Regarding Forward-Looking Statements" in the MD&A for material risks, assumptions and important disclosure associated with this information.

22. Segmented Information

Operating Segments

The Company's reportable operating segments, which are the components of the Company's business where separate financial information is available and which are evaluated on a regular basis by the Company's CEO, who is the Company's chief operating decision maker, for the purpose of assessing performance, are summarized in the tables below:

(in thousands)	Sales	Cost of Sales	Depletion	Net Earnings	Year Ended December 31, 2013 Cash Flow From Operations	Total Assets
Silver						
San Dimas [1]	$ 157,150	$ 27,703	$ 5,444	$ 124,003	$ 129,447	$ 157,492
Yauliyacu	33,053	5,742	8,018	19,293	27,311	207,277
Peñasquito	126,587	21,375	14,983	90,229	105,213	472,289
Barrick [2]	56,834	8,413	6,561	41,860	49,597	601,107
Other [3]	170,963	30,821	31,839	108,303	141,020	549,927
	$ 544,587	$ 94,054	$ 66,845	$ 383,688	$ 452,588	$ 1,988,092
Gold						
777	$ 91,412	$ 26,303	$ 52,711	$ 12,398	$ 61,136	$ 280,026
Sudbury	23,001	6,952	14,410	1,639	16,050	1,322,483
Salobo	22,552	6,779	7,828	7,945	15,774	609,454
Other [4]	24,920	5,264	2,359	17,297	19,923	28,429
	$ 161,885	$ 45,298	$ 77,308	$ 39,279	$ 112,883	$ 2,240,392
Total silver and gold interests	$ 706,472	$ 139,352	$ 144,153	$ 422,967	$ 565,471	$ 4,228,484
Corporate						
General and administrative				$ (35,308)		
Other				(12,164)		
Total corporate				$ (47,472)	$ (31,338)	$ 161,360
Consolidated	**$ 706,472**	**$ 139,352**	**$ 144,153**	**$ 375,495**	**$ 534,133**	**$ 4,389,844**

1) Results for San Dimas include 1.5 million ounces received from Goldcorp in connection with Goldcorp's four year commitment to deliver to Silver Wheaton 1.5 million ounces of silver per annum resulting from their sale of San Dimas to Primero.
2) Comprised of the operating Lagunas Norte, Pierina and Veladero silver interests in addition to the non-operating Pascua-Lama silver interest.
3) Comprised of the operating Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777 and Aljustrel silver interests in addition to the non-operating Rosemont, Loma de La Plata and Constancia silver interests.
4) Comprised of the operating Minto gold interest and the non-operating Rosemont and Constancia gold interests.

(in thousands)	Sales	Cost of Sales	Depletion	Net Earnings	Year Ended December 31, 2012 Cash Flow From Operations	Total Assets
Silver						
San Dimas [1]	$ 181,906	$ 23,846	$ 4,591	$ 153,469	$ 158,060	$ 162,936
Yauliyacu	86,185	11,937	14,717	59,531	80,077	215,295
Peñasquito	186,085	23,860	17,701	144,524	162,225	487,272
Barrick [2]	78,359	9,670	10,763	57,926	69,504	597,736
Other [3]	238,633	31,485	28,662	178,486	204,206	454,677
	$ 771,168	$ 100,798	$ 76,434	$ 593,936	$ 674,072	$ 1,917,916
Gold						
777	$ 47,768	$ 11,234	$ 21,722	$ 14,812	$ 40,507	$ 332,732
Other [4]	30,624	5,457	3,073	22,094	25,059	30,586
	$ 78,392	$ 16,691	$ 24,795	$ 36,906	$ 65,566	$ 363,318
Total silver and gold interests	$ 849,560	$ 117,489	$ 101,229	$ 630,842	$ 739,638	$ 2,281,234
Corporate						
General and administrative				$ (30,839)		
Other				(13,967)		
Total corporate				$ (44,806)	$ (20,234)	$ 908,103
Consolidated	**$ 849,560**	**$ 117,489**	**$ 101,229**	**$ 586,036**	**$ 719,404**	**$ 3,189,337**

1) Results for San Dimas include 1.5 million ounces received from Goldcorp in connection with Goldcorp's four year commitment to deliver to Silver Wheaton 1.5 million ounces of silver per annum resulting from their sale of San Dimas to Primero.
2) Comprised of the operating Lagunas Norte, Pierina and Veladero silver interests in addition to the non-operating Pascua-Lama silver interest.
3) Comprised of the operating Los Filos, Zinkgruvan, Keno Hill, Mineral Park, Cozamin, Neves-Corvo, Stratoni, Campo Morado, Minto, 777 and Aljustrel silver interests in addition to the non-operating Rosemont, Loma de La Plata and Constancia silver interests.
4) Comprised of the operating Minto gold interest and the non-operating Rosemont gold interest.

Geographic Segments

The Company's geographical segments, which are based on the location of the mining operations to which the silver or gold interests relate, are summarized in the tables below:

Year Ended December 31, 2013

(in thousands)	Sales	Carrying Amount Silver Interests	Carrying Amount Gold Interests
North America			
Canada	$ 165,816	$ 139,141	$ 917,707
United States	8,973	37,948	-
Mexico	342,177	705,062	-
Europe			
Greece	17,763	31,854	-
Portugal	17,686	30,487	-
Sweden	41,618	51,015	-
South America			
Argentina / Chile [1]	28,864	604,384	-
Brazil	22,552	-	1,322,483
Peru	61,023	388,201	202
Republic of Guyana	-	-	13,602
Consolidated	**$ 706,472**	**$ 1,988,092**	**$ 2,253,994**

1) Includes the Pascua-Lama project, which straddles the border of Argentina and Chile.

Year Ended December 31, 2012

(in thousands)	Sales	Carrying Amount Silver Interests	Carrying Amount Gold Interests
North America			
Canada	$ 108,390	$ 149,078	$ 363,318
United States	17,650	39,018	-
Mexico	450,394	735,736	-
Europe			
Greece	25,962	37,788	-
Portugal	16,707	32,056	-
Sweden	65,914	54,075	-
South America			
Argentina / Chile [1]	39,106	597,390	-
Peru	125,437	272,775	-
Consolidated	**$ 849,560**	**$ 1,917,916**	**$ 363,318**

1) Includes the Pascua-Lama project, which straddles the border of Argentina and Chile.

23. Subsequent Events

Declaration of Dividend

On March 20, 2014, the Board of Directors declared a dividend in the amount of $0.07 per common share as per the Company's stated dividend policy whereby the quarterly dividend will be equal to 20% of the average of the previous four quarters operating cash flow. This dividend is payable to shareholders of record on April 4, 2014 and is expected to be distributed on or about April 15, 2014.

Dividend Reinvestment Plan

On March 20, 2014, the Company announced that it will be implementing a dividend reinvestment plan whereby shareholders can elect to have dividends reinvested directly into additional Silver Wheaton common shares. It is intended that the plan will be effective commencing with the second dividend of 2014 which will be paid after the announcement of the First Quarter 2014 Earnings Results. The plan remains subject to regulatory approval.

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Exhibit 99.3

CERTIFICATION

I, Randy V. J. Smallwood, certify that:

1. I have reviewed this annual report on Form 40-F of Silver Wheaton Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2014

By: /s/ Randy V. J. Smallwood
Randy V. J. Smallwood
Chief Executive Officer
(Principal Executive Officer)

Exhibit 99.4

CERTIFICATION

I, Gary D. Brown, certify that:

1. I have reviewed this annual report on Form 40-F of Silver Wheaton Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2014

By: /s/ Gary D. Brown
Gary D. Brown
Chief Financial Officer
(Principal Financial Officer)

Exhibit 99.5

CERTIFICATION PURSUANT TO
18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Silver Wheaton Corp. (the "Company") on Form 40-F for the period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Randy V. J. Smallwood, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2014

By: /s/ Randy V. J. Smallwood
Randy V. J. Smallwood
Chief Executive Officer

Exhibit 99.6

CERTIFICATION PURSUANT TO 18 U.S.C. §1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Silver Wheaton Corp. (the "Company") on Form 40-F for the period ended December 31, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gary D. Brown, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

March 31, 2014

By: /s/ Gary D. Brown
Gary D. Brown
Chief Financial Officer

Exhibit 99.7

Deloitte LLP
2800 – 1055 Dunsmuir Street
4 Bentall Centre
P.O. Box 49279
Vancouver BC V7X 1P4
Canada

Tel: 604-669-4466
Fax: 778-374-0496
www.deloitte.ca

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in Registration Statement No. 333-128128 on Form S-8 and No. 333-194702 on Form F-3D and to the use of our reports dated March 20, 2014 relating to the consolidated financial statements of Silver Wheaton Corp. and the effectiveness of Silver Wheaton Corp.'s internal control over financial reporting appearing in this Annual Report on Form 40-F of Silver Wheaton Corp. for the year ended December 31, 2013.

Deloitte LLP
Chartered Accountants
Vancouver, Canada
March 31, 2014

Exhibit 99.8

March 31, 2014

CONSENT OF NEIL BURNS

United States Securities and Exchange Commission

In connection with the filing of the Annual Report on Form 40-F of Silver Wheaton Corp. for the year ended December 31, 2013 (the "Annual Report"), I, Neil Burns, M.Sc., P.Geo., Vice President, Technical Services, Silver Wheaton Corp., hereby consent to being named as having approved the disclosure of the scientific and technical information contained in the Annual Report under the headings "Description of the Business", "Technical Information", "Technical Information - Further Disclosure Regarding Mineral Projects on Material Properties – 777 Mine, Canada, – San Dimas Mines, Mexico, – Peñasquito Mine, Mexico, – Pascua-Lama Project, Border of Chile and Argentina" and "Interest of Experts" contained in the Annual Information Form for the year ended December 31, 2013, included as Exhibit 99.1 to the Annual Report and incorporated by reference into the Company's Registration Statement on Form S-8 (File No. 333-128128), Form F-10 (File No. 333-185152) and Form F-3D (File No. 333-194702). I hereby confirm that I have read the Annual Report and have no reason to believe that there are any misrepresentations in the information contained therein that is within my knowledge as a result of the services performed by me in connection with my approval of the disclosure of the scientific and technical information contained in the Annual Report.

Yours truly,

/s/ Neil Burns

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Neil Burns, MSc, P.Geo
Vice President Technical Services,
Silver Wheaton Corp.

Exhibit 99.9

March 31, 2014

CONSENT OF SAMUEL MAH

United States Securities and Exchange Commission

In connection with the filing of the Annual Report on Form 40-F of Silver Wheaton Corp. for the year ended December 31, 2013 (the "Annual Report"), I, Samuel Mah, M.A.Sc., P.Eng., Senior Director, Project Evaluations, Silver Wheaton Corp., hereby consent to being named as having approved the disclosure of the scientific and technical information contained in the Annual Report under the headings "Description of the Business", "Technical Information", "Technical Information - Further Disclosure Regarding Mineral Projects on Material Properties – 777 Mine, Canada, – San Dimas Mines, Mexico, – Peñasquito Mine, Mexico, – Pascua-Lama Project, Border of Chile and Argentina" and "Interest of Experts" contained in the Annual Information Form for the year ended December 31, 2013, included as Exhibit 99.1 to the Annual Report and incorporated by reference into the Company's Registration Statement on Form S-8 (File No. 333-128128), Form F-10 (File No. 333-185152) and Form F-3D (File No. 333-194702). I hereby confirm that I have read the Annual Report and have no reason to believe that there are any misrepresentations in the information contained therein that is within my knowledge as a result of the services performed by me in connection with my approval of the disclosure of the scientific and technical information contained in the Annual Report.

Yours truly,

/s/ Samuel Mah

_____

Samuel Mah, M.A.Sc., P.Eng.
Senior Director, Project Evaluations
Silver Wheaton Corp.

Exhibit 99.10

March 31, 2014

CONSENT OF JAMES TURNER

United States Securities and Exchange Commission

In connection with Silver Wheaton Corp.'s (the 'Company') Annual Report on Form 40-F for the year ended December 31, 2013 (the 'Annual Report'), I, James Turner, BSc (Hons) MSc CEng MIMMM, Senior Mineral Process Engineer, Micon International Ltd., hereby consent to the inclusion in, or incorporation by reference into, the Annual Report and the Company's Registration Statement on Form S-8 (File No. 333-128128), Form F-10 (File No. 333-185152) and Form F-3D (File No. 333-194702), of the following:

1. Technical Report on the Mineral Reserves and Mineral Resources of the Salobo Copper-Gold Mine Carajas, Pará State, Brazil, dated March 19, 2013.

Yours truly,

/s/ James Turner

James Turner, BSc (Hons) MSc CEng MIMMM
Senior Mineral Process Engineer
Micon International Ltd.

Exhibit 99.11

March 31, 2014

CONSENT OF BARNARD FOO

United States Securities and Exchange Commission

In connection with Silver Wheaton Corp.'s (the 'Company') Annual Report on Form 40-F for the year ended December 31, 2013 (the 'Annual Report'), I, Barnard Foo, M.Eng., P.Eng., MBA, Senior Mining Engineer, Micon International Ltd., hereby consent to the inclusion in, or incorporation by reference into, the Annual Report and the Company's Registration Statement on Form S-8 (File No. 333-128128), Form F-10 (File No. 333-185152) and Form F-3D (File No. 333-194702), of the following:

1. Technical Report on the Mineral Reserves and Mineral Resources of the Salobo Copper-Gold Mine Carajas, Pará State, Brazil, dated March 19, 2013.

Yours truly,

/s/ Barnard Foo

_____

Barnard Foo, M.Eng., P.Eng., MBA
Senior Mining Engineer
Micon International Ltd.

Exhibit 99.12

March 31, 2014

CONSENT OF JASON CHE OSMOND

United States Securities and Exchange Commission

In connection with Silver Wheaton Corp.'s (the 'Company') Annual Report on Form 40-F for the year ended December 31, 2013 (the 'Annual Report'), I, Jason Ché Osmond, B.Sc., M.Sc., EurGeol, C.Geol, FGS, Senior Geologist, Micon International Ltd., hereby consent to the inclusion in, or incorporation by reference into, the Annual Report and the Company's Registration Statement on Form S-8 (File No. 333-128128), Form F-10 (File No. 333-185152) and Form F-3D (File No. 333-194702), of the following:

1. Technical Report on the Mineral Reserves and Mineral Resources of the Salobo Copper-Gold Mine Carajas, Pará State, Brazil, dated March 19, 2013.

Yours truly,

/s/ Jason Ché Osmond

_____

Jason Ché Osmond, B.Sc., M.Sc., EurGeol, C.Geol, FGS
Senior Geologist
Micon International Ltd.

Exhibit 99.13

March 31, 2014

CONSENT OF CHRISTOPHER JACOBS

United States Securities and Exchange Commission

In connection with Silver Wheaton Corp.'s (the 'Company') Annual Report on Form 40-F for the year ended December 31, 2013 (the 'Annual Report'), I, Christopher Jacobs, CEng MIMMM, Vice President and Mining Economist, Micon International Ltd., hereby consent to the inclusion in, or incorporation by reference into, the Annual Report and the Company's Registration Statement on Form S-8 (File No. 333-128128), Form F-10 (File No. 333-185152) and Form F-3D (File No. 333-194702), of the following:

1. Technical Report on the Mineral Reserves and Mineral Resources of the Salobo Copper-Gold Mine Carajas, Pará State, Brazil, dated March 19, 2013.

Yours truly,

/s/ Christopher Jacobs

Christopher Jacobs, CEng MIMMM
Vice President and Mining Economist
Micon International Ltd.