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

For the fiscal year ended December 31, 2018
Commission file number: 001-37982



AMERICAS SILVER CORPORATION

(Exact Name of Registrant as Specified in its Charter)

CANADA

(Province or other jurisdiction of incorporation or organization)

1040

(Primary Standard Industrial Classification Code)

N/A

(I.R.S. Employer Identification No.)

145 King Street West, Suite 2870
Toronto, Ontario, Canada M5H 1J8
(416) 848-9503

(Address and Telephone Number of Registrant's Principal Executive Offices)

Registered Agent Solutions, Inc.
99 Washington Avenue, Suite 1008
Albany, New York 12260
(888) 705-7274

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

Copies to:
Thomas M. Rose
Troutman Sanders LLP
401 9th Street NW, Suite 1000
Washington, DC 20004
(202) 274-2950

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	**NYSE American LLC**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **N/A**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: N/A

For annual reports, indicate by check mark the information filed with this form:
☒ Annual Information Form ☒ 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: As at December 31, 2018, **43,402,434** common shares of the Registrant were issued and outstanding.

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. ☒ Yes ☐ No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

EXPLANATORY NOTE

Americas Silver Corporation (the "**Company**" or the "**Registrant**") is a Canadian issuer that is permitted, under the multijurisdictional disclosure system adopted in the United States, to prepare this Annual Report on Form 40-F pursuant to Section 13 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and Rule 405 under the Securities Act of 1933, as amended (the "**Securities Act**"). Equity securities 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, including any documents incorporated by reference herein (collectively, the " **Annual Report**"), contains statements that are not current or historical factual statements, which may constitute forward-looking information or forward-looking statements within the meaning of applicable Canadian and United States securities laws. All statements other than statements of historical fact included in this Annual Report that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including without limitation, statements regarding any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements, estimates of mineral reserves and resources, the realization of mineral reserve estimates, the expected timing for the completion of the Pershing Gold Acquisition (as defined in the Annual Information Form of the Company filed as Exhibit 99.1 to this Annual Report on Form 40-F and incorporated by reference herein (the "**AIF**")), including the receipt of CFIUS (as defined in the AIF) approval in connection therewith, the ramp up of the San Rafael mining operations, estimates of cash cost per ounce and all-in sustaining cost per ounce of silver produced as part of the Company's consolidated guidance for 2019, impairment of mining interests and non-producing properties, the timing and amount of estimated future production, production guidance, costs of production, capital expenditures, costs and timing of development, success of exploration and development activities, the Company's expected plans and strategy in connection with the San Felipe property, permitting timelines, government regulation of mining operations, environmental risks, the going concern assumption, and the timing and possible outcomes of pending disputes or litigation, negotiations or regulatory investigations are or involve forward-looking statements. Although forward-looking statements contained in this Annual Report are based on what management considers to be reasonable assumptions based on information currently available to it, there can be no assurances that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "assumes", "believes", "budget", "could", "estimates", "expects", "forecasts", "guidance", "indicates", "intends", "likely", "may", "objective", "outlook", "plans", "potential", "predicts", "scheduled", "should", "target", "trends", "will", or "would" or the negative or other variations of these words or other comparable words or phrases. This Annual Report and its exhibits, including those set out under "Risk Factors" in the AIF and any documents incorporated herein by reference contain forward-looking statements including, but not limited to those relating to the Company. All such forward-looking statements are subject to important risks, uncertainties and assumptions. These statements are forward-looking because they are based on current expectations, estimates and assumptions. It is important to know that: (i) unless otherwise indicated, forward-looking statements in this Annual Report and its exhibits, including any documents incorporated herein by reference, describe expectations as at the date hereof; (ii) actual results and events could differ materially from those expressed or implied in the forward-looking statements in this Annual Report and its exhibits, including any documents incorporated herein by reference, if known or unknown risks affect the business of the Company, or if its estimates or assumptions turn out to be inaccurate. As a result, the Company cannot guarantee that the results or events expressed or implied in any forward-looking statement will materialize, and accordingly, you are cautioned not to place undue reliance on these forward-looking statements; and (iii) the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable securities laws. The Company has made a number of assumptions in making forward-looking statements in this Annual Report and its exhibits, including any documents incorporated herein by reference.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the exhibits attached to this Annual Report, including those described in the AIF. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

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

The Company is permitted, under the multi-jurisdictional disclosure system (the "**MJDS**") adopted by the United States Securities and Exchange Commission (the "**SEC**"), to prepare this Annual Report in accordance with Canadian disclosure requirements, which differ from those of the United States. The Company has prepared its financial statements, which are filed as Exhibit 99.2 to this Annual Report and incorporated by reference herein, in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board and they are not comparable to financial statements of United States companies.

RESOURCE AND RESERVE ESTIMATES

The Company's AIF, filed as Exhibit 99.1 to this Annual Report and incorporated by reference herein, and management's discussion and analysis for the fiscal year ended December 31, 2018 (the "**MD&A**"), filed as Exhibit 99.3 to this Annual Report and incorporated by reference herein, have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States 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 SEC Industry Guide 7 under the Securities Act ("SEC Industry Guide 7"). Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority.

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 not permitted to be used in reports and registration statements filed with the SEC, other than in limited circumstances (including pursuant to the MJDS). 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 great uncertainty 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 Industry Guide 7 standards as in place tonnage and grade without reference to unit measures.

Accordingly, information contained in this Annual Report, including the documents incorporated by reference herein, contain descriptions of our mineral deposits that 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.

CURRENCY

Unless otherwise indicated, all dollar amounts in this Annual Report on Form 40-F are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on December 31, 2018, based upon the average daily exchange rate as quoted by the Bank of Canada was U.S.$1.00 = Cdn.$1.3642.

ANNUAL INFORMATION FORM

The Company's AIF for the fiscal year ended December 31, 2018 is filed as Exhibit 99.1 to this Annual Report and is incorporated by reference herein.

AUDITED ANNUAL FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the years ended December 31, 2017 and 2018, including the report of the independent auditor thereon, are filed as Exhibit 99.2 to this Annual Report and are incorporated by reference herein.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's MD&A for the year ended December 31, 2018 is filed as Exhibit 99.3 to this Annual Report and is incorporated by reference herein.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report, the Company carried out an evaluation, under the supervision of the Company's Chief Executive Officer ("**CEO**") and Chief Financial Officer (" **CFO**"), of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act). Based upon that evaluation, the Company's CEO and CFO have concluded that, as of the end of the period covered by this Annual Report, the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control over Financial Reporting

The Company's management, including the Company's CEO and CFO, is responsible for establishing and maintaining adequate internal control over the Company's internal control over financial reporting, as such term is 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 of consolidated financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that: pertain to the maintenance of records that, in reasonable detail accurately and fairly reflect the transactions and disposition of assets; provide reasonable assurance that transactions are recorded as necessary to permit preparation of the consolidated financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorization of management and directors of the Company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the consolidated financial statements.

Because of their inherent limitations, internal control over financial reporting can provide only reasonable assurance and may not prevent or detect misstatements. Furthermore, 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.

The Company's management (with the participation of the CEO and the CFO) conducted an evaluation of the effectiveness of the Company's internal control over financial reporting as of December 31, 2018. This evaluation was based on the criteria set forth in the 2013 Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on its assessment, management has concluded that the Company's internal control over financial reporting was effective as at December 31, 2018, and management's assessment did not identify any material weaknesses.

Attestation Report of the Registered Public Accounting Firm

In accordance with the United States Jumpstart Our Business Startup Act (the " **JOBS Act**"), the Company qualifies as an "emerging growth company" (an "**EGC**"), which entitles the Company to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not EGCs. Specifically, the JOBS Act defers the requirement to have the Company's independent auditor assess the Company's internal controls over financial reporting under Section 404(b) of the Sarbanes-Oxley Act. As such, the Company is exempted from the requirement to include an auditor attestation report in Annual Report for so long as the Company remains an EGC.

Changes in Internal Control over Financial Reporting

During the period covered by this Annual Report, no changes 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.

CORPORATE GOVERNANCE

The Corporation's Board of Directors (the "**Board**") is responsible for the Corporation's Corporate Governance policies and has a separately designated standing Compensation and Corporate Governance Committee, Audit Committee, and Sustainability & Technical Committee. The Board has determined that all of the members of the Compensation and Corporate Governance Committee and Audit Committee are independent, based on the criteria for independence prescribed by section 803A of the NYSE American Company Guide (the "**Company Guide**") and Section 805(c) of the Company Guide, as applicable.

Compensation and Corporate Governance Committee

The Compensation & Corporate Governance Committee (" **CCG Committee**") assists the Board in overseeing certain compensation and succession planning matters as well as fulfilling the corporate governance and director nominating responsibilities of the Company. The CCG Committee is composed of: Lorie Waisberg (Chair), Gordon Pridham, and Alex Davidson, each of whom is "independent" pursuant to Section 803A and 805(c) of the Company Guide. Each of the members of the CCG Committee has direct experience in the management and administration of compensation matters in their role as an executive officer or a board member. This experience has involved the planning and development of such programs and an analysis of competitive trends in compensation and pay for performance practices. Collectively, the attributes and experiences of the members ensure that the CCG Committee will function effectively in reviewing, assessing and recommending to the Board appropriate compensation policies and practices for the Company.

The CCG Committee has the responsibility of maintaining awareness of competitive compensation practices and of reviewing and reporting to the Board, on at least an annual basis, recommendations on compensation packages for the executive officers and directors of the Company. The CCG Committee generally assumes responsibility for assisting the Board in respect of compensation policies for the Company, and in conjunction with the CEO, assessing the performance of the officers of the Company in fulfilling their responsibilities and meeting business objectives. The CCG Committee, following input from the Board, also annually assesses the performance of the CEO. The Company's CEO cannot be present during the CCG Committee's deliberations or vote.

CCG Committee business includes a review of the attainment of the performance targets established for the payout, if any, of the annual cash bonus awards for the current year as well as the proposed bonus targets for the next following year including the selection of the performance criteria, the establishment of the performance targets, the participants in the executive incentive bonus programs, the percentage of a participants salary subject to an award and the establishment of individual and corporate objectives. The end-of-year meeting of the CCG Committee may also include a review and recommendation to the Board of proposed changes to base salary as well as the proposed grant of long-term incentive awards comprised of time-based share unit awards or stock options to acquire the Company's common shares to eligible participants.

The Company's CCG Committee Charter is available on the Company's website at www.americassilvercorp.com.

AUDIT COMMITTEE

The Board has a separately designated standing Audit Committee (the " Audit Committee") established for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company in accordance with Section 3(a)(58)(A) of the Exchange Act. As of the date of this Annual Report, the Company's Audit Committee is comprised of Bradley Kipp (Chair), Lorie Waisberg and Gordon Pridham, each of whom the Board has determined is independent under Section 803A of the Company Guide and Rule 10A-3 under the Exchange Act.

The Board has also determined that each member of the Audit Committee is financially literate, meaning each such member has the ability to read and understand a set of financial statements that present a breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Audit Committee Financial Expert

The Company's Board has determined that each of Bradley Kipp, Lorie Waisberg and Gordon Pridham qualify as a financial expert (as defined in Item 407(d)(5)(ii) of Regulation S-K under the Exchange Act), that each are financially sophisticated, as determined in accordance with Section 803B(2)(iii) of the Company Guide, and each are independent (as determined under Exchange Act Rule 10A-3 and section 803A of the Company Guide).

The SEC has indicated that the designation or identification of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose any duties, obligations or liability on such person that are greater than those imposed on members of the audit committee and the board of directors who do not carry this designation or identification, or affect the duties, obligations or liability of any other member of the audit committee or board of directors.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT AUDITOR

The Audit Committee pre-approves all audit services to be provided to the Company by its independent auditors. Non-audit services that are prohibited to be provided to the Company by its independent auditors may not be pre-approved. In addition, prior to the granting of any pre-approval, the Audit Committee must be satisfied that the performance of the services in question will not compromise the independence of the independent auditors. All non-audit services performed by the Company's auditor for the fiscal year ended December 31, 2018 were pre-approved by the Audit Committee of the Company. No non-audit services were approved pursuant to the de minimis exemption to the pre-approval requirement set forth in Rule 2-01(c)(7)(i)(C) of Regulation S-X.

PRINCIPAL ACCOUNTANT FEES AND SERVICES – INDEPENDENT AUDITOR

The following table shows the aggregate fees billed to the Company by PricewaterhouseCoopers LLP and its affiliates, Chartered Professional Accountants, the Company's independent registered public auditing firm, in each of the last two fiscal years.

	2017	2018
Audit Fees (1)	$ 240,000	$ 330,000
Audit-Related Fees (2)	Nil	Nil
Tax Fees (3)	33,900	9,500
All Other Fees (4)	Nil	Nil
Total	$ 273,900	$ 339,500

(1) "Audit Fees" include fees necessary to perform the audit of the Company's consolidated financial statements. Audit Fees include quarterly reviews, fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for filing tax returns for U.S. subsidiary, tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include fees relating to the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than the services reported under clauses 1 to 3 above.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

CODE OF ETHICS

The Company has adopted a Code of Business Conduct and Ethics that applies to directors, officers and employees of, and consultants to, the Company (the "**Code**"). The Code is posted on the Company's website at www.americassilvercorp.com, or may be obtained, without charge, upon request from the Company's Investor Relations at (416) 848-9503. The Code meets the requirements for a "code of ethics" within the meaning of that term in General Instruction 9(b) of Form 40-F.

All amendments to the Code, and all waivers of the Code with respect to any of the officers covered by it, will be posted on the Company's website, www.americassilvercorp.com, within five business days of the amendment or waiver and provided in print to any shareholder who requests them. During the fiscal year ended December 31, 2018, the Company did not substantively amend, waive or implicitly waive any provision of the Code with respect to any of the directors, executive officers or employees subject to it.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table lists as of December 31, 2018 information with respect to the Company's known contractual obligations:

	December 31, 2018				
	Total	**Less than 1 year**	**2-3 years**	**4-5 years**	**More than 5 years**
Trade and other payables	$ 14,345	$ 14,345	$ -	$ -	$ -
Pre-payment facility	11,110	5,610	5,500	-	-
Interest on pre-payment facilities	863	639	224	-	-
Convertible loans	4,032	4,032	-	-	-
Interest on convertible loans	300	300	-	-	-
Projected pension contributions	4,512	818	1,593	1,524	577
Decommissioning provision	5,258	50	618	-	4,590
Operating leases	1,055	261	505	289	-
Other long-term liabilities	689	-	212	-	477
	$ 42,164	$ 26,055	$ 8,625	$ 1,813	$ 5,644

1 – All leases can be cancelled upon proper notice by the Company.
2 – Certain of these estimates are dependent on market conditions and assumed rates of return on assets. Therefore, the estimated obligation of the Company may vary over time.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Company sent during the year ended December 31, 2018 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

INTERACTIVE DATA FILE

An interactive data file for the audited consolidated financial statements for the years ended December 31, 2018 and 2017 is filed herewith.

NYSE AMERICAN CORPORATE GOVERNANCE

The Company's common shares are listed on the NYSE American LLC (the " NYSE American"). Section 110 of the Company Guide permits the NYSE American to consider the laws, customs and practices of foreign issuers in permitting deviations from certain NYSE American listing criteria, and to grant exemptions from certain NYSE American listing criteria based on these considerations. A company seeking relief under these provisions is required to provide written certification from independent local counsel that the non-complying practice is not prohibited by home country law. A description of the significant ways in which the Company's governance practices differ from those followed by U.S. domestic companies pursuant to the Company Guide is set forth below.

Quorum for Shareholders' Meetings. Section 123 of the Company Guide recommends that a listed company's bylaws provide for a quorum of not less than 33 1/3 percent of such company's shares issued and outstanding and entitled to vote at a meeting of shareholders. The Company's quorum requirements, as set forth in its by-laws, provide that two persons present and each holding or representing by proxy at least one issued share of the Company shall be a quorum of any meeting of shareholders for the choice of a chair of the meeting and for the adjournment of the meeting to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting shall be persons present not being less than two in number and holding or representing by proxy not less than 10% of the total number of the issued shares of the Company for the time being enjoying voting rights at such meeting.

Proxy Delivery. The Company Guide requires the solicitation of proxies and delivery of proxy statements for all shareholder meetings of a listed company, and requires that these proxies be solicited pursuant to a proxy statement that conforms to SEC proxy rules. The Company is a "foreign private issuer" under Rule 3b-4 of the Exchange Act, and the equity securities of the Company are accordingly exempt from the proxy rules set forth in Sections 14(a), 14(b), 14(c) and 14(f) of the Exchange Act. The Company solicits proxies in accordance with applicable rules and regulations in Canada.

The foregoing is consistent with the laws, customs and practices in Canada. In addition, the Company may from time-to-time seek relief from the NYSE American corporate governance requirements on specific transactions under Section 110 of the Company Guide by providing written certification from independent local counsel that the non-complying practice is not prohibited by the Company's home country law, in which case, the Company shall make the disclosure of such transactions available on the Company's website at http://www.americassilvercorp.com. Information contained on the Company's website is not part of this Annual Report.

MINE SAFETY DISCLOSURE

The information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is included in Exhibit 99.8 to the Annual Report.

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 arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Company has previously filed with the SEC a written consent to service of process on Form F-X. Any change to the name or address of the Company's agent for service shall be communicated promptly to the SEC by 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.

AMERICAS SILVER CORPORATION

By: /s/ Warren Varga
Name: Warren Varga
Title: Chief Financial Officer
Date: March 29, 2019

EXHIBIT INDEX

99.1. Annual Information Form of the Company for the year ended December 31, 2018

99.2. Audited Annual Consolidated Financial Statements and notes thereto as at and for the years ended December 31, 2018 and December 31, 2017, together with the report thereon of the independent auditor

99.3. Management's Discussion and Analysis for the year ended December 31, 2018

99.4. Certificate of Chief Executive Officer Pursuant to Rule 13a-14(a) of the Exchange Act

99.5. Certificate of Chief Financial Officer Pursuant to Rule 13a-14(a) of the Exchange Act

99.6. Certificate of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.7. Certificate of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99.8. Mine Safety Disclosure for the year ended December 31, 2018

99.9. Consent of PricewaterhouseCoopers LLP

99.10. Consent of Thomas Dyer

99.11. Consent of Paul Tietz

99.12. Consent of Mine Development Associates, Inc.

99.13. Consent of Jim Atkinson

99.14. Consent of Daren Dell

99.15. Consent of Edwin Peralta

99.16. Consent of Randy Powell

99.17. Consent of Dan Hussey

99.18. Consent of James Stonehouse

99.19. Consent of Shawn Wilson

99.20. Consent of Aaron Gross

Exhibit 99.1



ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

DATED March 29, 2019

ANNUAL INFORMATION FORM
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2018

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PRELIMINARY NOTES

Effective Date of Information

All information in this annual information form (this "AIF") of Americas Silver Corporation ("Americas Silver" or the "Company") is as at December 31, 2018 unless otherwise indicated. This AIF is dated as of March 29, 2019.

Additional Information

Additional information is provided in the Company's audited consolidated financial statements for the years ended December 31, 2017 and 2018 (the "2018 Annual Financial Statements") and Management's Discussion and Analysis dated March 4, 2019 for the year ended December 31, 2018 (the "2018 Annual MD&A"), each of which has been filed on SEDAR (www.sedar.com). Additional information, including directors' and officers' remuneration and indebtedness and information concerning the principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, where applicable, will be contained in the Company's Management Information Circular to be filed in connection with its upcoming annual meeting of shareholders for 2019 (the "2019 Circular"). This information, including the 2018 Annual MD&A and the 2018 Annual Financial Statements, and other additional information relating to the Company may be found on the Company's SEDAR profile at www.sedar.com or, in the case of the 2019 Circular, will be made available in accordance with the time requirements of Canadian and U.S. securities laws.

Interpretation and Definitions

A glossary of certain technical terms, abbreviations and measurement conversions is set forth in **Appendix A**.

Currency and Exchange Rate

Unless otherwise indicated, in this AIF all references to "dollar" or the use of the symbol "$" are to the United States dollar and all references to "C$" are to the Canadian dollar. The daily average exchange rate for Canadian dollars in terms of the United States dollar on December 31, 2018 and March 1, 2019 as reported by the Bank of Canada was 1.3642 and 1.3260, respectively. The daily average exchange rate for Canadian dollars in terms of the Mexican peso on December 31, 2018 and March 1, 2019 as reported by the Bank of Canada was 0.06942 and 0.06872, respectively.

United States Dollars into Canadian Dollars	**2018**	**2017**	**2016**
Closing	1.3642	1.2545	1.3427
Average	1.2957	1.2986	1.3248
High	1.3642	1.3743	1.4589
Low	1.2288	1.2128	1.2544
Mexican Pesos into Canadian Dollars	**2018**	**2017**	**2016**
Closing	0.06942	0.06380	0.06510
Average	0.06744	0.06884	0.07110
High	0.07074	0.07418	0.08075
Low	0.06286	0.06033	0.06429

Forward-Looking Statements

Statements contained in this AIF that are not current or historical factual statements may constitute forward-looking information or forward-looking statements within the meaning of applicable Canadian and United States securities laws. All statements other than statements of historical fact included in this AIF that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including without limitation, statements regarding any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements, estimates of mineral reserves and resources, the realization of mineral reserve estimates, the expected timing for the completion of the Pershing Gold Acquisition (as defined herein), including the receipt of CFIUS (as defined herein) approval in connection therewith, estimates of cash cost per ounce and all-in sustaining cost per ounce of silver produced as part of the Company's consolidated guidance for 2019, impairment of mining interests and non-producing properties, the timing and amount of estimated future production, production guidance, costs of production, capital expenditures, costs and timing of development, success of exploration and development activities, the Company's expected plans and strategy in connection with the San Felipe property, permitting timelines, government regulation of mining operations, environmental risks, the going concern assumption, and the timing and possible outcomes of pending disputes or litigation, negotiations or regulatory investigations are or involve forward-looking statements. Although forward-looking statements contained in this AIF are based on what management considers to be reasonable assumptions based on information currently available to it, there can be no assurances that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "assumes", "believes", "budget", "could", "estimates", "expects", "forecasts", "guidance", "indicates", "intends", "likely", "may", "objective", "outlook", "plans", "potential", "predicts", "scheduled", "should", "target", "trends", "will", or "would" or the negative or other variations of these words or other comparable words or phrases. This AIF and its appendices, including those set out under "Risk Factors" in this AIF, contain forward-looking statements including, but not limited to those relating to the Company. All such forward-looking statements are subject to important risks, uncertainties and assumptions. These statements are forward-looking because they are based on current expectations, estimates and assumptions. It is important to know that: (i) unless otherwise indicated, forward-looking statements in this AIF and its appendices describe expectations as at the date hereof; (ii) actual results and events could differ materially from those expressed or implied in the forward-looking statements in this AIF and its appendices, if known or unknown risks affect the respective businesses of the Company, or if their estimates or assumptions turn out to be inaccurate. As a result, the Company cannot guarantee that the results or events expressed or implied in any forward-looking statement will materialize, and accordingly, you are cautioned not to place undue reliance on these forward-looking statements; and (iii) the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable securities laws. The Company has made a number of assumptions in making forward-looking statements in this AIF and its appendices.

The list above is not exhaustive of the factors that may affect the Company's forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the AIF. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Cautionary Note to Investors in the United States Regarding Resources and Reserves

Information concerning the mineral properties of the Company has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from the requirements of U.S. securities laws applicable to U.S. companies subject to the reporting and disclosure requirements of the U.S. Securities Exchange Commission (the "SEC"). Under SEC standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time of the reserve determination, and the SEC does not recognize the reporting of mineral deposits which do not meet the SEC Industry Guide definition of "Reserve". In accordance with Canadian National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") of the Canadian Securities Administrators, the terms "mineral reserve", "proven mineral reserve", "probable mineral reserve", "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" used in this AIF are defined in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014 (see **Appendix A**). While the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are recognized and required by NI 43-101, the SEC does not recognize them. Shareholders who are U.S. persons are cautioned that, except for that portion of the mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic value. Inferred mineral resources have a high degree of uncertainty as to their existence as to whether they can be economically or legally mined. Under applicable Canadian securities laws, estimates of inferred mineral resources may not form the basis of an economic analysis. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Therefore, shareholders who are U.S. persons are cautioned not to assume that all or any part of an inferred mineral resource exists, that it can be economically or legally mined, or that it will ever be upgraded to a higher category. Likewise, shareholders who are U.S. persons are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded to mineral reserves.

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CORPORATE STRUCTURE

Name, Address and Incorporation

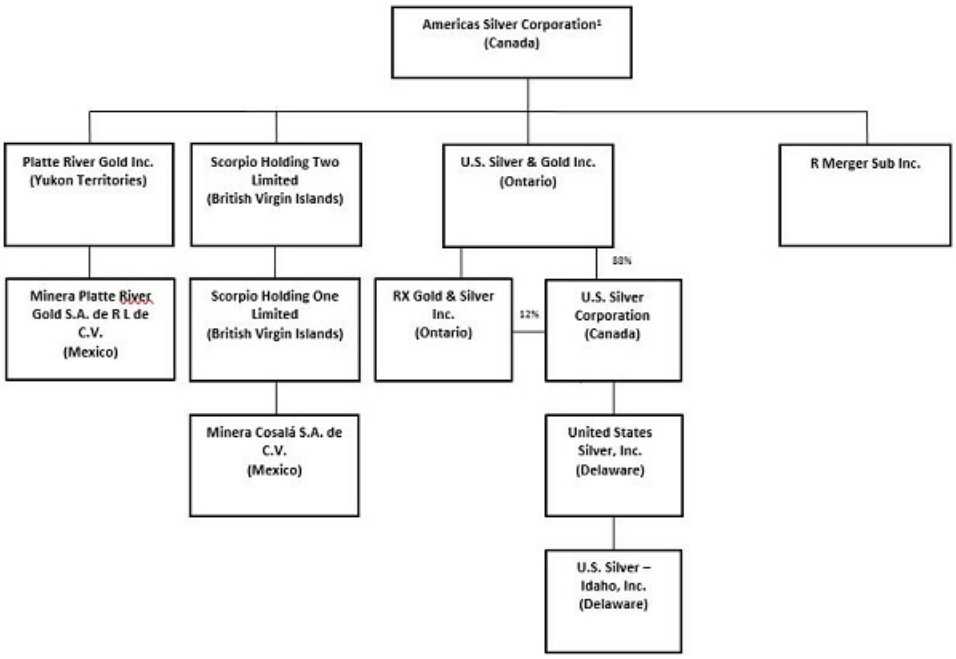
Americas Silver was incorporated as "Scorpio Mining Corporation" pursuant to articles of incorporation dated May 12, 1998 under the *Canada Business Corporations Act* with authorized share capital of an unlimited number of common shares. On December 23, 2014, a merger of equals transaction between Scorpio Mining Corporation ("Scorpio Mining") and U.S. Silver & Gold Inc. (" U.S. Silver") was completed to combine their respective businesses by way of a plan of arrangement of U.S. Silver pursuant to section 182 of the *Business Corporations Act* (Ontario). Following the merger of equals, the combined company changed its name to "Americas Silver Corporation" by way of articles of amendment dated May 19, 2015 and its principal and registered office is located at 145 King Street West, Suite 2870, Toronto, Ontario, Canada M5H 1J8.

The Company was originally listed on the Toronto Stock Exchange (the " TSX") trading under the symbol "SPM" from October 18, 2006. The Common Shares currently trade on the TSX under the symbol "USA". On January 11, 2017, the Company filed a registration statement with the SEC and on January 19, 2017, the Company commenced trading its common shares on the New York Stock Exchange MKT (now referred to as "NYSE American") under the symbol "USAS".

Inter-Corporate Relationships

The following chart (as of the date of the AIF) illustrates the Company's principal subsidiaries, together with the place of incorporation/governing law of each subsidiary and the percentage of voting securities beneficially owned by the Company. See "**Description of the Business – *Reorganizations***".

Please note that this chart is subject to change upon completion of the Pershing Gold Acquisition ("Pershing Gold" as a term defined herein under "**General Development of the Business – *Pershing Gold Acquisition***"). As a result of the Pershing Gold Acquisition, the separate corporate existence of R Merger Sub, Inc. will cease and Pershing Gold will become a wholly-owned subsidiary of Americas Silver and Pershing Gold's subsidiaries will become indirect wholly-owned subsidiaries of Americas Silver. See "**General Development of the Business – *Pershing Gold Acquisition***".



1 Assuming completion of the Pershing Gold Acquisition, the following wholly-owned subsidiaries of Pershing Gold will become indirect wholly-owned subsidiaries of Americas Silver: (i) Gold Acquisition Corp., a Nevada corporation; (ii) Pershing Royalty Company, a Delaware corporation; and (iii) Blackjack Gold Corp., a Nevada corporation.

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GENERAL DEVELOPMENT OF THE BUSINESS

Overview

The Company is engaged in the evaluation, acquisition, exploration, development and operation of precious and polymetallic mineral properties in North America, primarily those with the potential for near-term production or exhibiting potential for hosting a major mineralized deposit. The Company is currently operating in two of the world's leading silver camps: the Cosalá Operations in Sinaloa, Mexico and the Galena Complex, in Idaho, United States. The Company holds an option to purchase the San Felipe development project in Sonora, Mexico (the "San Felipe property").

In Sinaloa, Mexico, the Company operates the 100%-owned Cosalá Operations which includes the Nuestra Señora silver-zinc-copper-lead mine ("Nuestra Señora mine" or "Nuestra Señora"), the San Rafael silver-zinc-lead mine (" San Rafael mine" or "San Rafael") and the Zone 120 silver-copper exploration project. The Company declared commercial production in January 2009 following development of the Nuestra Señora mine and associated commissioning of the Los Braceros processing facility. In December 2017, commercial production was declared at the San Rafael mine and the Nuestra Señora mine was placed on care-and-maintenance.

In April 2010, Scorpio Mining completed the acquisition of all of the outstanding shares of Platte River Gold Inc., through which the Company acquired several advanced polymetallic deposits, including the El Cajón and San Rafael projects. Along with the Nuestra Señora mine and Los Braceros plant these properties now comprise the Cosalá Operations. In March 2017, the Company acquired an option to purchase 100% of the San Felipe property. The option was acquired from a subsidiary of Santacruz Silver Mining Ltd. ("Santacruz") with the underlying property held by Minera Hochschild Mexico S.A. de C.V. ("Hochschild").

The primary assets of the Galena Complex, which was added as a result of the merger with U.S. Silver, are the Galena mine and Galena mill, the Coeur mine and Coeur mill, and mineral properties adjacent to those centres of infrastructure. The Galena Complex has a long mining history with combined production of over 230 million ounces of silver and associated by-product metals of copper and lead over a modern production history of more than 50 years. The Galena mine is the second most prolific primary silver mine in United States history.

While silver-copper ore had been exploited for most of Galena's history, U.S. Silver commenced production of silver-lead ore during the fourth quarter of 2007. Development activities were ramped up significantly in the second half of 2014 as U.S. Silver focused on the exploration and development of multiple areas where silver-lead ores had been identified in historic workings or drill holes in the Galena mine.

The Company declared commercial production at the San Rafael mine, as at December 19, 2017. In 2018, additional investment was directed toward mine development as well as approximately $2 million for exploration to further advance the Zone 120 project and test other high priority regional targets. At the Galena Complex, the Company continues to invest to extend and upgrade the existing mineral resources and reserves and mine infrastructure.

The Company continues to examine opportunities to leverage its operating presence in the regions where it is active. Advances in exploration, mining and processing technologies as well as changing economic conditions are motivating re-evaluation of known occurrences and past producers. The Company operates in a cyclical industry where levels of cash flow have historically been correlated to commodity prices.

The Company's strategic objective is to expand its precious metal production through the development of its own projects and consolidation of complimentary projects. The management team is led by Darren Blasutti, its President and Chief Executive Officer. The Company's current management and board of directors ("Board") are comprised of senior mining executives and have extensive experience identifying, acquiring, developing, financing and operating mining projects deposits globally. Subject to completion of the Pershing Gold Acquisition, Mr. Stephen Alfers is expected to be appointed to the Board. For further information, see "**Directors and Officers**".

NYSE American Market Listing and Share Consolidation

The Company listed its common shares on the NYSE American with trading starting on January 19, 2017, under the symbol "USAS". In order to satisfy one of the listing requirements for the NYSE American, a share price of $2.00 or greater, the Company received shareholder approval to pass a special resolution authorizing an amendment to the Company's articles. The amendment resulted in one post-consolidation common share for each 12 pre-consolidation common shares resulting in approximately 39,540,384 post-consolidation common shares effective as of December 21, 2016 (the "Share Consolidation"). Any information relating to the number of issued and outstanding common shares, options, warrants, deferred share units, restricted share units, and related per share amounts in this AIF have been adjusted retrospectively to reflect the Share Consolidation.

Pershing Gold Acquisition

On September 30, 2018, Americas Silver announced that it had entered into a definitive agreement (the " Merger Agreement") with Pershing Gold Corporation ("Pershing Gold") to complete a merger transaction (the " Pershing Gold Acquisition") to create a low-cost, precious metal growth company in the Americas. Under the terms of the Merger Agreement, holders of common shares of Pershing Gold will receive 0.715 of a common share of Americas Silver for each common share of Pershing Gold by way of a share exchange (the "Exchange Ratio"). Under the terms of the Merger Agreement, holders of shares of series E preferred stock of Pershing Gold ("Series E Preferred Stock") will receive, at their election, either preferred shares of Americas Silver or have their shares converted into common shares of Pershing Gold and then receive common shares of Americas Silver. Each share of Series E Preferred Stock will, at the election of the holder, either (i) be converted into the right to receive 461.440 preferred shares of Americas Silver, or (ii) be converted into the right to receive such number of common shares of Americas Silver to which the holder would be entitled if the share of Series E Preferred Stock were converted into common shares of Pershing Gold and then exchanged for common shares of Americas Silver based on the Exchange Ratio.

Based on the closing price of Americas Silver on the NYSE American on September 28, 2018, the Exchange Ratio implied a value of US$1.69 per Pershing Gold common share. This represents a 39% premium to Pershing Gold's closing price on the NASDAQ and a 39% premium based on the volume weighted average prices of Americas Silver and Pershing Gold for the 10-day trading period ending on September 28, 2018. Existing shareholders of Americas Silver and Pershing Gold would own approximately 64% and 36%, respectively, on an undiluted basis, following completion of the Pershing Gold Acquisition.

On January 9, 2019, Americas Silver and Pershing Gold announced their respective shareholders provided the requisite approvals for the Pershing Gold Acquisition, with the related matters being described in the Company's Management Proxy Circular dated December 4, 2018 (the "Acquisition Circular") and in Pershing Gold's proxy statement filed with the SEC on November 30, 2018.

The Pershing Gold Acquisition is currently waiting on approval by the Committee on Foreign Investment in the United States (" CFIUS"). All deadlines for declarations and transactions under review by CFIUS were tolled due to the lapse in appropriations related to the U.S. Government shutdown. At the date of this AIF, the Company is in discussions with CFIUS in support of its investigation and any requested mitigation plans. The Company expects that it will ultimately be granted clearance from CFIUS and that closing of the Pershing Gold Acquisition will occur in early 2019.

Operations – Three Year History

2016

In March 2016, the Company released the results of the pre-feasibility study for the San Rafael project. The study described an underground mine delivering average annual production of 1.0 million ounces of silver, 50 million pounds of zinc and 20 million pounds of lead over a six-year mine life. Construction of the new mine officially started in September 2016 following approval by the Company's Board.

In early April, unusual ground movement was observed at the Nuestra Señora mine. The disturbance was located in the upper levels of the mine near old workings which predate the Company's involvement with the project. An analysis of the situation showed there was a risk to the structural integrity of the mine portal. A new portal and approximately 120 meters of development was completed to re-establish safe access to the mine and operations resumed in late June. During the suspension of ore production from Nuestra Señora, mill feed consisted of stockpiled material as well as historic dumps and near surface mineralization at the past-producing La Estrella mine at the north end of the Company's land holdings.

Primary ramp development at San Rafael advanced with approximately 25% complete by year-end. The project received initial deliveries of new mobile equipment and transfer of workers and equipment from the Nuestra Señora mine began. Ongoing review of development plans and savings from the relocation and reuse of existing equipment allowed the initial capital cost estimate to be reduced to $18 million from the original cost of $22 million presented in the prefeasibility study.

Development at the El Cajón project recommenced in Q4 2016. Plans were put in place to have 2017 mill feed supplemented by El Cajón production as the Nuestra Señora mine wound down. A small stockpile had been established by year end.

On December 30, 2016, the Company completed and filed an updated Technical Report on the Galena Complex to disclose Mineral Resource and Mineral Reserve estimates for the operation, as at December 31, 2015.

Management continued to restructure the company-wide workforce in response to evolving business requirements. In addition, the Mexico Country Manager position was eliminated with responsibilities assumed by James Stonehouse, Vice President – Exploration. Daren Dell, previously Senior Vice President Technical Services, assumed the role of Chief Operating Officer following the resignation of Robert Taylor.

2017

In early 2017, production from the Nuestra Señora mine began to slow as preparations were made to transition the Cosalá Operations to other ore sources. Activities continued at the previously-idle El Cajón mine to bring it into limited production beginning in Q1 2017. A total of approximately 110 thousand tonnes were processed between January and September. The El Cajón mine is currently back on care-and-maintenance. The Galena Complex experienced several operating challenges in 2017 including an earlier than expected mill liner replacement, reduced underground mobile equipment availability and inadequate cemented fill quality. These issues were addressed over the course of several months with performance nearing expectations in the fourth quarter. Site personnel made progress in advancing their planning practices to improve production flexibility and consistency.

Successful completion of the San Rafael mine project was the Company's top priority during 2017 and commercial production was declared as of December 19, 2017. Ramp development was slowed during the year by difficult ground conditions at the contact between the overlying volcanic rock and the limestone beneath. However, improvements were found in other areas of the mine design and the Company began stockpiling ore in late August. Construction of the mill modifications was completed, and the plant switched to San Rafael ore as the sole feed source in November. The Los Braceros mill averaged approximately 1,400 tonnes per day through the pre-production period with silver, zinc and lead recoveries within 5% of Company expectations consistent with the March 2016 San Rafael Pre-Feasibility Study. Construction was completed for approximately $16 million, 32% below the pre-feasibility study estimate.

Exploration drilling resumed in 2017 at the Cosalá Operations property for the first time since 2014. An initial 4,000-meter diamond drill program at the silver-copper Zone 120 deposit adjacent to the San Rafael mine commenced in April, focusing on upgrading the existing resource as well as expanding the footprint of mineralization to the southeast. Following up on the success of step-out drilling, the Company drilled 3,260 meters in seven holes to further test continuity and expand the mineralized footprint. Exploration drilling at the Galena Complex totaled 7,220 meters in the year. Drilling to test extensions of known silver-lead mineralization near existing mine infrastructure accounted for 5,423 meters. Exploration drilling beyond known mineralization totaled 1,797 meters and led to the discovery of the 367 Vein located north of the main workings on the 4900 level.

The Company provided updated mineral resource and reserve estimates for the Cosalá Operations and Galena Complex in September 2017 with an effective date of June 30, 2017. In May 2017 the Dirección General de Regulación de Minería (DGRM)[1] confirmed the location of disputed concession boundaries at the El Cajón project. With this added degree of certainty, the Company was able to include the El Cajón resource in its June 30, 2017 Mineral Resource Estimate update.

In March 2017, the Company entered into an option acquisition agreement with a subsidiary of Santacruz to acquire an existing option with Hochschild for the right to acquire a 100% interest in the San Felipe property (the "San Felipe Option Acquisition") for total consideration of $15 million in cash, payable in two installments: (i) the purchase of the option for $5 million from Santacruz plus an initial option payment of $2 million paid to Hochschild with cash on hand by the Company in early March; and (ii) a final option payment of $8 million to Hochschild. Work on the property during the year included 1,400 meters for drilling of six twin holes, completion of a geotechnical study and remodeling of the deposit.

2018

Overall 2018 was a successful operating year for Americas Silver with consolidated silver equivalent production of approximately 6.3 million ounces compared to production of 4.7 million ounces during 2017, an increase of 32%, despite hoisting issues experienced at the Galena Complex. The significant increase in consolidated silver equivalent production was primarily due to the 190% greater zinc and 125% greater lead production, a result of the San Rafael mine enjoying its first full year of operation after declaring commercial production in December 2017. The Los Braceros processing plant reached a performance milestone by sustaining a milling rate of over 1,700 tonnes per operating day by the end of the third quarter of the year, with increased milling rates continuing into the first quarter of 2019.

Consolidated silver production was 1.4 million silver ounces compared to 2.1 million silver ounces, a decrease of 31% over fiscal 2017. The reduced silver production was due to mine sequencing at San Rafael as the initial development extracted ore from an area of mineralization close to the mine's portal that contained 57% lower average silver grades of 47 g/t in 2018 compared to the 110 g/t average silver grade of estimated proven and probable reserves for the deposit. The San Rafael mine continued advancing underground development into the Main Zone during 2018 in order to prepare the mine for 2019 production with targeted silver grades of approximately 60 g/t with further increases expected in the silver grade in 2020 and beyond.

The strong silver equivalent production from Cosalá was tempered by reduced mill throughput at the Cosalá Operations due to an unplanned mill repair lasting approximately 10 days, in addition to approximately 120 hours of lost operating time at the process plant due to periodic power outages stemming from delivery problems originating with the electricity provider. Additionally, the Galena Complex milled tonnage was lower as production was negatively impacted by two separate issues at its No.3 Shaft that inhibited normal hoisting for approximately 27 days in total. Repairs were completed by the end of June 2018. Silver and lead grades and recoveries were maintained or improved at Galena. Particulars of the production at Cosala and Galena are discussed in the Company's MD&A for the year ended December 31, 2018, published on SEDAR (www.sedar.com) on March 4, 2019.

A subsidiary of the Company was party, with the United Steel Workers Union, to a collective bargaining agreement at the Galena Complex with a term from June 29, 2014 to June 28, 2017. Effective August 29, 2018, union membership at the Galena Complex ratified a collective bargaining agreement that runs until August 28, 2022 and covers substantially all the operation's hourly employees.

On September 28, 2018, the Company entered into the Merger Agreement to complete the Pershing Gold Acquisition. This transaction is discussed in further detail at "**General Development of the Business – *Pershing Gold Acquisition***".

[1] The DGRM is the Mexican government bureau responsible for administering mining concessions.

On October 11, 2018, the Company updated mineral reserve and resource estimates for the Cosalá Operations and Galena Complex with an effective date of June 30, 2018. The estimate includes the San Felipe property located in Sonora, Mexico on which the Company holds an option. The estimated silver inventory contained 26 million ounces of proven and probable reserves, a decrease of 2 million ounces or 9%, and 70 million ounces of measured and indicated resources, an increase of 12 million ounces or 21%. Total silver contained in the inferred category decreased by 23% to 28.3 million ounces primarily due to resource conversion at Zone 120 and adoption of stricter estimation parameters at Galena offset by the inclusion of 3.1 million ounces from the San Felipe property.

On December 15, 2018, the remaining option payment of $6 million in connection with the San Felipe Option Acquisition (as defined herein), plus applicable VAT, was amended to become eight quarterly option payments of $0.75 million due and payable following the end of first quarter 2019, subject to satisfaction of certain conditions. As consideration for the amendment, the Company issued common shares valued at $0.6 million to Minera Hochschild Mexico S.A. de C.V. ("Hochschild") subsequent to year-end.

Drilling completed in early 2018 at the Company's Zone 120 deposit improved the confidence and understanding of the deposit. The estimated indicated resource increased to 2.7 million tonnes grading 186 g/t silver and 0.46% copper for 16.2 million contained silver ounces or 3.7 million ounces more than the previous estimate, an improvement of approximately 30%, or 0.6 million tonnes and 3.7 million ounces. The Company is currently assessing the economic viability of developing the project.

Production and other matters relating in the Company's operations are listed below under " Description of the Business ".

Financing Arrangements – Last 3 Years

From time to time, Americas Silver has raised capital by way of private placements, debt financings and the exercise of warrants and stock options. These funds are typically expended on exploration and development of its properties and for general working capital purposes.

The Company has previously entered three similar secured debt facilities with two lenders and a combined principal amount of approximately C$13.9 million at interest rates in the range of 10% – 12% per annum. As of March 2017, all such debt, including accrued interest, was repaid in full and these debt facilities are no longer outstanding. In connection with these debt facilities the Company issued warrants to the respective lenders. See "**General Description of Capital Structure**" in this AIF for further information.

On June 9, 2016 and June 14, 2016, the Company completed private placements of 5,555,555 units and 3,210,416 subscription receipts, respectively, at a price of C$3.60 per unit and per subscription receipt (post Share Consolidation equivalent) for aggregate gross proceeds of approximately C$31.6 million ($24.7 million). On July 20, 2016, the Company received the necessary approvals and completed the exchange of 3,210,416 subscription receipts for units. Each unit from the private placements consisted of one common share and one quarter of one common share purchase warrant where each whole warrant is exercisable for one common share at an exercise price of C$4.68 for a five-year period expiring June 14, 2021.

On January 29 2017, two Mexican subsidiaries of the Company, Minera Cosalá, S.A. de C.V. (" Minera Cosalá") and Minera Platte River Gold, S. de R.L. de C.V ("Minera Platte") entered into a four year, $15 million concentrate pre-payment facility (the " Glencore Pre-Payment Facility") at an interest rate of U.S. LIBOR plus 5% per annum with Metagri S.A. de C.V., a subsidiary of Glencore PLC ("Glencore") to be used in part to fund the development of the San Rafael mine and commercial production of its concentrates. In January 2018, the Company began repayment of principal on the Glencore Pre-Payment Facility as an additional tonnage charge on shipments of concentrate, with minimum annual repayment amounts required for 2018, 2019 and 2020. See "**Note 10 – Pre-Payment Facility**" of the 2018 Annual Financial Statements. The full amount of the Glencore Pre-Payment Facility was drawn in late March 2017. In connection with the Glencore Pre-Payment Facility, the Company has executed a promissory note and guarantee in favour of Glencore and agreed to provide limited asset level security on the San Rafael mine. The Company has also entered into four-year offtake agreements with Glencore for the zinc and lead concentrates produced from San Rafael. Glencore will pay for the concentrates at prevailing market prices for silver, lead and zinc, less treatment and refining charges. See "**Risk Factors – *Risks Associated with Outstanding Debt***".

In connection with the Pershing Gold Acquisition, the Company issued C$5.5 million aggregate principal number of convertible debentures due June 2019 (the "Debentures") to certain holders (the "Debentureholders") at an interest rate of 15% per annum. The net proceeds of the Debentures were used by Americas Silver to fund a US$4.0 million short term secured first lien convertible loan to Pershing Gold in connection with the Pershing Gold Acquisition in order to address Pershing Gold's near-term working capital requirements.

In anticipation of completion of the Pershing Gold Acquisition, Americas Silver is in advanced discussions and negotiations with parties interested in providing financing of approximately US$40 million in gross proceeds to, among other things, develop the Relief Canyon Mine. Any such financing will be subject to completion of the Pershing Gold Acquisition and final negotiation and settlement of term with the applicable financing source.

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DESCRIPTION OF THE BUSINESS

Summary

The Company is engaged in the evaluation, acquisition, exploration, development and operation of precious metals and polymetallic mineral properties, primarily those already producing or with the potential for near-term production. The geographic focus is in the Western Hemisphere, particularly Canada, the United States and Mexico. Currently, the Company is in production at its Cosalá Operations in Sinaloa, Mexico and Galena Complex in the United States. The Company holds an option to purchase the San Felipe property in Sonora, Mexico.

Principal Product

The Company produces silver-bearing zinc and lead concentrates. Subject to completion of the Pershing Gold Acquisition, the Company will add an attractive gold-silver development project in Nevada with significant precious metal growth to the Company's production profile. The Company believes that because of the availability of alternate processing and commercialization options for its concentrates, it is not dependent on a particular purchaser with regard to the sale of its products.

Production

The Company operates the 100%-owned Cosalá Operations located near the town of Cosalá in the State of Sinaloa, Mexico and the Galena Complex located near the town of Wallace in the State of Idaho, U.S.A.

Ore at the Cosalá Operations is currently produced from the San Rafael mine and treated at the Los Braceros process plant. San Rafael is an underground silver-zinc-lead mine which entered commercial production in December 2017. The Los Braceros process plant, located 9 kilometers east southeast of the San Rafael mine, currently produces silver-bearing zinc and lead concentrates. The facility processes approximately 1,700 tonnes per day.

San Rafael is early in its life as a mine. Initial activity focused on gaining access to the southern lobe of the Main Zone. This area was the primary source of production for the first year. Capital development has since extended ramp access down to the lowest levels of the Main Zone as well as to the northern limit. Development toward the Upper Zone will continue into 2020. Production from the Nuestra Señora mine has stopped although a resource remains at the property.

The Galena Complex produces a silver-lead concentrate. Material mined at the Galena Complex is milled at the Galena mill. The Galena mill has an installed milling capacity of 630 tonnes-per-day but operates below capacity. The 450 tonne-per-day capacity Coeur mill is currently on care-and-maintenance.

The high grade and "narrow vein" nature of the underground Galena Complex requires careful application of selective mining techniques such as overhand cut and fill. As well, the age and expanse of the underground infrastructure demands regular, ongoing maintenance. As such, production and operating costs will display a degree of variability depending on a number of timing and other factors. Existing hoisting and processing infrastructure is capable of handling more material than the mine currently generates. Substantial resources exist outside of the defined reserve, and exploration continues to develop resources and identify new areas of mineralization.

2018 Consolidated Production Highlights			
	2018	**2017**	**Change**
Processed Ore (tonnes milled)		690,498	
Silver Production (ounces)	1,417,537	2,056,017	-31%
Silver Equivalent Production (ounces)	6,286,531	4,746,387	32%
Silver Grade (grams per tonne)		104	
Cost of Sales ($ per silver equiv. ounce) [1]	$ 8.29	$ 10.13	-18%
Cash Costs ($ per silver ounce) [1] [2]	$ (0.63)	$ 9.45	-93%
All-in Sustaining Costs ($ per silver ounce) [1] [2]	$ 9.80	$ 13.29	-26%
Zinc Production (pounds)	34,219,472	11,623,138	194%
Lead Production (pounds)	30,466,799	25,392,619	20%
Copper Production (pounds)	-	1,167,401	-100%

[1] Cost of sales per silver equivalent ounce, cash costs per silver ounce, and all-in sustaining costs per silver ounce for 2017 excludes pre-production of 50,490 silver ounces and 435,323 silver equivalent ounces mined from San Rafael during its commissioning period. It also excludes pre-production of 245,391 silver ounces and 360,530 silver equivalent ounces mined in 2017 from El Cajón during its commissioning period. Pre-production revenue and cost of sales from San Rafael and El Cajón are capitalized as an offset to development costs.

[2] Cash cost per ounce and all-in sustaining cost per ounce are non-IFRS measures with no standardized definition. For further information and detailed reconciliations, see "**General Development of the Business – *Non-IFRS Measures***".

In 2018 the Company produced 6,286,531 silver equivalent ounces, including 1,417,537 ounces of silver, at cost of sales of $8.29/oz. equivalent silver, by-product cash cost of negative ($0.63/oz.) silver, and all-in sustaining cost of $9.80/oz. silver. These results compare to 4,746,387 silver equivalent ounces, including 2,056,017 ounces of silver, at cost of sales of $10.13/oz. equivalent silver, by-product cash cost of $9.45/oz. silver, and all-in sustaining cost of $13.29/oz. silver during 2017, a 32% increase in production of silver equivalent ounces, and a 31%, 18%, 107% and 26% decrease in production of silver ounces, cost of sales per equivalent silver ounce, by-product cash cost per ounce, and all-in sustaining cost per ounce, respectively.[2]

Consolidated silver production during 2018 was lower by 31% compared to 2017. The decrease was the result of lower silver grade and metallurgical recovery at the Cosalá Operations, in addition to production interruptions at the Galena mine. San Rafael is expected to initially provide lower silver production compared to the previously mined deposits at the Cosalá Operations until mining sequences to the higher silver grade areas of the ore body later in 2020. The consolidated silver equivalent production increased by 32%, and the consolidated cash costs and all-in sustaining costs decreased by 107% and 26%, respectively, when compared to 2017, due to comparatively higher base metal grades generally present in the San Rafael deposit. For further information see "**General Development of the Business – *Operations – Three Year History 2018***".

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[2] Cash cost per ounce and all-in sustaining cost per ounce are non-IFRS measures with no standardized definition. For further information and detailed reconciliations, see "**General Development of the Business – *Non-IFRS Measures***".

Consolidated guidance for 2019 is 1.6 – 2.0 million silver ounces and 6.6 - 7.0 million silver equivalent ounces at cash costs of $4.00 to $6.00 per silver ounce and all-in sustaining costs of $10.00 to $12.00 per silver ounce including budgeted capital of $10 - $11 million. The increase in silver production is due to greater expected mill throughput at San Rafael in 2019 as the initial ramp up in 2018 has been completed. The increase in cash cost and all-in sustaining cost per ounce is due to the lower assumed metal prices affecting estimated by-product metal revenue from the San Rafael and Galena mines. The Company assumed $14.50 per ounce silver, $1.15 per pound zinc, $0.90 per pound lead, and an exchange rate of 19 Mexican pesos to US dollar for these guidance estimates. This guidance is supported by estimated zinc production of approximately 36-40 million lbs. and estimated lead production of 34-38 million lbs. in 2019. The Company's consolidated exploration budget for fiscal 2019 is approximately $1.5 million.

This guidance excludes construction capital and exploration spending related to Pershing Gold's Relief Canyon Mine. The Company intends to update guidance for Relief Canyon after the close of the Pershing Gold Acquisition.

Consolidated Results and Guidance		
	2018 Actual	**2019 Guidance[1]**
Silver Production (ounces)	1.4M oz.	1.6 – 2.0M oz.
Silver Equivalent Production (ounces)	6.3M oz.	6.6 – 7.0M oz.
Cost of Sales ($ per silver equiv. ounce)	$8.29/oz.	$ 8.00 – $10.00/oz.
Cash Costs ($ per silver ounce) [2]	$(0.59)/oz.	$ 4.00 – $6.00/oz.
All-in Sustaining Costs ($ per silver ounce) [2]	$9.82/oz.	$ 10.00 – $12.00/oz.

[1] The Company assumed $14.50 per ounce silver, $1.15 per pound zinc, $0.90 per pound lead, and an exchange rate of 19 Mexican pesos to US dollar for these guidance estimates.

[2] Cash cost per ounce and all-in sustaining cost per ounce are non-IFRS measures with no standardized definition. For further information and detailed reconciliations, including in respect of 2019 Guidance, see "**General Development of the Business – *Non-IFRS Measures***".

Non-IFRS Measures

The Company reports cash cost per ounce and all-in sustaining cost per ounce of silver produced, non-IFRS measures, in accordance with measures widely reported in the silver mining industry as a benchmark for performance measurement. Management uses these measures internally to better assess performance trends and understands that a number of investors, and others who follow the Company's performance, also assess performance in this manner.

These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with International Financial Reporting Standards ("IFRS"). These measures do not have any standardized meaning and may differ from methods used by other companies with similar descriptions. The methods do not include depletion, depreciation, exploration or corporate administrative costs and is therefore not directly reconcilable to costs as reported under IFRS. All-in sustaining cost is the silver mining industry cash cost plus all development, capital expenditures, and exploration spending.

Reconciliation of Consolidated Cash Cost per Ounce

	2018	2017
Cost of sales ('000)	$ 52,115	$ 40,038
Non-cash costs ('000)[1]	(730)	1,306
Direct mining costs ('000)	$ 51,385	$ 41,344
Smelting, refining and royalty expenses ('000)	13,856	9,249
Less by-product credits ('000)	(66,130)	(33,952)
Total cash costs ('000)	$ (889)	$ 16,641
Divided by silver produced (oz)[2]	1,417,537	1,760,136
Silver cash costs ($/oz)	$ (0.63)	$ 9.45

Reconciliation of Consolidated All-In Sustaining Cost per Ounce

	2018	2017
Total cash costs ('000)	$ (889)	$ 16,641
Capital expenditures ('000)	14,560	6,565
Exploration costs ('000)	219	192
Total all-in sustaining costs ('000)	$ 13,890	$ 23,398
Divided by silver produced (oz)[2]	1,417,537	1,760,136
Silver all-in sustaining costs ($/oz)	$ 9.80	$ 13.29

1 Non-cash costs consist of non-cash related charges to cost of sales including inventory movements and write-downs to net realizable value of concentrates, ore stockpiles, and spare parts and supplies.

2 Calculation excludes pre-production of 50,490 silver ounces and 435,323 silver equivalent ounces mined from San Rafael during its commissioning period. It also excludes pre-production of 245,391 silver ounces and 360,530 silver equivalent ounces mined in 2017 from El Cajón during its commissioning period. Pre-production revenue and cost of sales from San Rafael and El Cajón are capitalized as an offset to development cost.

The Company also reports estimates of cash cost per ounce and all-in sustaining cost per ounce of silver produced, non-IFRS measures, as part of its consolidated guidance for 2019. These estimates are based on assumed $14.50 per ounce Silver, $1.15 per pound zinc, $0.90 per pound lead, and an exchange rate of 19 Mexican pesos to U.S. dollar, among other factors. These numbers constitute forward-looking information and are subject to the risks and assumptions set out in "**Preliminary Notes – *Forward-Looking Statements***". As set out above, these measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning and may differ from methods used by other companies with similar descriptions. The methods do not include depletion, depreciation, exploration or corporate administrative costs and are therefore not directly reconcilable to costs as reported under IFRS. All-in sustaining cost is the silver mining industry cash cost plus all capital expenditures and exploration spending. The Company does not have information available to provide a quantitative reconciliation of forward-looking cash cost and all-in sustaining cost estimates to forward-looking costs as reported under IFRS as it includes items that are not currently certain or determinable, such as depletion, depreciation, capital expenditures, exploration spending, etc.

Employees

As at December 31, 2018, the Company had the following number of employees:

	Cosalá Operations	Galena Complex	Corporate	Total
Hourly	237	43	0	281
Salary	96	196	13	305
TOTAL	333	239	13	586

* The hourly employees at the Galena Complex are covered by a collective bargaining agreement with the United Steel Workers Union. See "***Changes to Contracts and Economic Dependence***" also see "**Risk Factors – *Labour Relations, Employee Recruitment, Retention and Pension Funding***".

In addition, the Company, from time to time, employs outside contractors on a fee -for-service basis.

Specialized Skill and Knowledge

Various aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, drilling, metallurgy, engineering, logistical planning and implementation of programs as well as finance and accounting and legal/regulatory compliance. While competitive conditions exist in the industry, the Company has been able to locate and retain employees and consultants with such skills and believes it will continue to be able to do so in the foreseeable future.

Competitive Conditions

Competition in the mineral exploration industry is intense. The Company competes with other mining companies, many of which have significant financial resources and technical facilities for the acquisition and development of, and production from, mineral interests, as well as for the recruitment and retention of qualified employees and consultants. The ability of the Company to acquire viable mineral properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for development or mineral exploration.

Business Cycles

The mining business is highly cyclical. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. The ultimate economic viability of the Company's projects is related and sensitive to the market price of silver as well the market price of by-products such as zinc, lead and copper. Metal prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the control of the Company.

Changes to Contracts and Economic Dependence

The Company's cash flow is dependent on delivery of its ore concentrate to market. The Company's contracts with the concentrate purchasers provide for provisional payments based on periodic deliveries. The Company may sell its concentrate to a metal trader while it is at the smelter in order to help manage its cash flow. The Company has not had any problems collecting payments from concentrate purchasers in a reliable and timely manner and expects no such difficulties in the foreseeable future. However, this cash flow is dependent on continued mine production which can be subject to interruption for various reasons including fluctuations in metal prices and concentrate shipment difficulties. Additionally, unforeseen cessation in smelter provider capabilities could severely impact the Company's capital resources. Although the Company sells its concentrate to a limited number of customers, it is not economically dependent upon any one customer as there are other markets throughout the world for the Company's concentrate.

A subsidiary of the Company is party, with the United Steel Workers Union, to a collective bargaining agreement that covers substantially all of the hourly employees at the Galena Complex with a term from June 29, 2014 to June 28, 2017. Effective August 29, 2018, union membership at the Galena Complex ratified a collective bargaining agreement that runs until August 28, 2022 and covers substantially all the operation's hourly employees. See "**Risk Factors –** ***Labour Relations, Employee Recruitment, Retention and Pension Funding***".

Environmental Protection

The Company's mining, exploration and development activities are subject to various federal, state and municipal laws and regulations relating to the protection of the environment, including requirements for closure and reclamation of mining properties. In all jurisdictions where the Company operates, specific statutory and regulatory requirements and standards must be met throughout the exploration, development and operations stages of a mining property with regard to matters including water quality, air quality, wildlife protection, solid and hazardous waste management and disposal, noise, land use and reclamation. Changes in any applicable governmental regulations to which the Company is subject may adversely affect its operations. Failure to comply with any condition set out in any required permit or with applicable regulatory requirements may result in the Company being unable to continue to carry out its activities. The impact of these requirements cannot accurately be predicted.

Management estimates costs associated with reclamation of mining properties as well as remediation costs for inactive properties. The Company uses assumptions about future costs, including inflation, prices, mineral processing recovery rates, production levels and capital and reclamation costs. Such assumptions are based on the Company's current mining plan and the best available information for making such estimates. Details and quantification of the Company's reclamation and closure costs are discussed in the 2018 Annual Financial Statements (see "**Note 12 – Decommissioning Provision**") and the 2018 Annual MD&A (see "**Significant Accounting Estimates and Judgements – Decommissioning Provision**"). See also "**Risk Factors –** ***Government Regulation and Environmental Compliance***".

The Company is focused on strengthening monitoring, controls and disclosure of environmental issues that affect employees and the surrounding communities. Through proactive public engagement, the Company continues to gain a better understanding of the concerns of area-wide citizens and regulators, and continues to work collaboratively to identify the most reasonable and cost-effective measures to address the most pressing concerns.

Foreign Operations

As of the date hereof, substantially all of the Company's long-term assets, comprising its mineral properties, are located in Mexico and the United States.

Tax Considerations

With current operations in the United States and Mexico, the Company is subject to the tax considerations of those jurisdictions. Certain changes to United States and Mexican tax laws affect the Company. See "**Risk Factors –** Tax Considerations" and "**Note 18 – Income Taxes**" of the Company's 2018 Annual Financial Statements.

On December 22, 2017, the United States government enacted a tax reform with changes to reducing the corporate income tax rate from 35% to 21% and repealing the corporate alternative minimum tax effective January 1, 2018. The Company assessed the impact of the tax reform and recognized a deferred tax asset of $0.6 million as at December 31, 2017 with respect to recoverable alternative minimum tax credits. Impact of the tax reform may differ due to changes in interpretations and assumptions made along with guidance which may subsequently be issued.

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MATERIAL MINERAL PROJECTS

The following is a summary description of the Company's material mineral projects, namely the Galena Complex and the Cosalá Operations.

Unless otherwise indicated, the information set forth below regarding the Cosalá Operations are extracts, as updated and conformed to be consistent with other disclosure within this AIF, from the summary section of the technical report entitled "Technical Report and Preliminary Feasibility Study for the San Rafael property, Sinaloa, Mexico" dated April 29, 2016 (the "San Rafael Technical Report") and prepared in accordance with NI 43-101 by and under the supervision of Thomas L. Dyer, P.E., Edwin R. Peralta, P.E., Paul Tietz, C.P.G. and Randy Powell, Q.P.M. for Mine Development Associates, Inc., all of whom are Qualified Persons for the purposes of NI 43-101. All scientific and technical information in this section relating to any updates to the Cosalá Operations since the date of the San Rafael Technical Report has been reviewed and approved by Shawn Wilson, P. Eng., a current member of Company management, who is a "qualified person" for the purposes of NI 43-101. Defined terms and abbreviations used in this section relating to the Cosalá Operations and not otherwise defined have the meanings attributed to them in the San Rafael Technical Report. The San Rafael Technical Report is available for review on the Company's SEDAR profile at www.sedar.com. Reference should be made to the full text of the San Rafael Technical Report for further information. The content of the San Rafael Technical Report does not form part of this AIF.

Unless otherwise indicated, the information set forth below regarding the Galena Complex are extracts, as updated and conformed to be consistent with other disclosure within this AIF, from the summary section of the technical report entitled "Technical Report, Galena Complex, Shoshone County, Idaho" dated December 23, 2016 (the "Galena Technical Report") and prepared in accordance with NI 43-101 by and under the supervision of Jim Atkinson, P.Geo., Daren Dell, P.Eng, and Dan Hussey, C.P.G., all of whom are Qualified Persons for the purposes of NI 43-101. All scientific and technical information in this section relating to any updates to the Galena Complex since the date of the Galena Technical Report has been reviewed and approved by Shawn Wilson, P. Eng. , a current member of Company management, who is a "qualified person" for the purposes of NI 43-101. Defined terms and abbreviations used in this section relating to the Galena Complex and not otherwise defined have the meanings attributed to them in the Galena Technical Report. The Galena Technical Report is available for review on the Company's SEDAR profile at www.sedar.com. Reference should be made to the full text of the Galena Technical Report for further information. The content of the Galena Technical Report does not form part of this AIF.

Summary of Mineral Reserve and Mineral Resource Estimates

Americas Silver's reserves and resources have been calculated as at June 30, 2018 in accordance with definitions adopted by the Canadian Institute of Mining, Metallurgy and Petroleum and incorporated into NI 43-101. See "**Glossary of Technical Terms**".

2018 production details are provided under " **Description of the Business – *Production*"** and in the 2018 Annual Financial Statements and the 2018 Annual MD&A.

For further detail regarding the extent to which estimates of Mineral Resources and Reserves may be materially affected by external factors, including metallurgical, environmental, permitting, title and other risks and relevant issues, please refer to "**Risk Factors – *Mineral Reserves and Resources, Development and Production***".

Proven and Probable Mineral Reserves at June 30, 2018

		Grade				Contained Metal			
	Tonnes	**Silver**	**Copper**	**Lead**	**Zinc**	**Silver**	**Copper**	**Lead**	**Zinc**
	000s	**g/t**	**%**	**%**	**%**	**koz**	**Mlbs**	**Mlbs**	**Mlbs**
Cosalá									
San Rafael									
Proven	1,155	127		1.80	3.97	4,722		45.9	101.1
Probable	1,757	98		1.59	3.99	5,563		61.8	154.7
San Rafael P&P	2,912	110		1.68	3.98	10,285		107.7	255.7
Total Cosalá P&P	2,912	110	--	1.68	3.98	10,285	--	107.7	255.7
Galena									
Silver-Copper									
Proven	194	559	0.54			3,485	2.3		
Probable	233	592	0.54			4,440	2.8		
Silver-Copper P&P	427	577	0.54			7,925	5.1		
Silver-Lead									
Proven	371	301		7.94		3,595		65.0	
Probable	465	257		7.52		3,836		77.1	
Silver-Lead P&P	836	276		7.70		7,432		142.0	
Total Galena P&P	1,264	378	0.18	5.10	--	15,357	5.1	142.0	--
Total P&P	4,176	191	0.06	2.71	2.78	25,642	5.1	249.7	255.7

1. CIM (2014) Definition Standards were followed for Mineral Reserve estimates.
2. Mineral Reserves are estimated at an NSR cut-off value of US$50/tonne at San Rafael and US$198/tonne at Galena. The NSR cut-off is calculated using recent operating results for recoveries, off-site concentrate costs, and on-site operating costs.
3. Mineral Reserves are estimated using metal prices of US$16.00/oz Ag, $2.50/lb Cu, $0.90/lb Pb and $0.90/lb Zn.
4. A minimum mining width of 4.5 feet was used for estimating Galena Reserves, with a minimum additional dilution of 0.5 feet from both the hanging wall and footwall. A mining recovery of 95% was used to reflect the selective nature of the mining methods used at the operation. A mining recovery of 80% and a 5% mine dilution factor at zero grade were used for estimating Mineral Reserves at San Rafael to reflect the mining method (post-pillar cut and fill) used at the operation.
5. Numbers may not add due to rounding.

Measured and Indicated Mineral Resources (Exclusive of Mineral Reserves) at June 30, 2018

		Grade				Contained Metal			
	Tonnes	Silver	Copper	Lead	Zinc	Silver	Copper	Lead	Zinc
	000s	g/t	%	%	%	koz	Mlbs	Mlbs	Mlbs
Cosalá									
Nuestra Señora									
Measured	257	85	0.16	0.84	1.76	700	0.9	4.8	10.0
Indicated	1,879	89	0.20	0.82	1.74	5,379	8.2	33.9	71.9
Nuestra Señora M&I	2,136	89	0.19	0.82	1.74	6,079	9.2	38.7	81.9
San Rafael									
Measured	1,310	100		0.98	2.30	4,207		28.4	66.3
Indicated	1,774	82		0.91	2.12	4,692		35.7	83.0
San Rafael M&I	3,084	90		0.94	2.20	8,899		64.1	149.3
Zone 120									
Measured	0								
Indicated	2,710	186	0.46			16,231	27.6		
Zone 120 M&I	2,710	186	0.46			16,231	27.6		
El Cajón									
Measured	0								
Indicated	1,003	177	0.55			5,719	12.2		
El Cajón M&I	1,003	177	0.55			5,719	12.2		
Total Cosalá M&I	8,933	129	0.25	0.52	1.17	36,928	49.0	102.8	231.2
San Felipe									
Measured	0								
Indicated	4,685	61		2.48	5.42	9,125		255.9	559.7
Total San Felipe M&I	4,685	61	--	2.48	5.42	9,125	--	255.9	559.7
Galena									
Silver-Copper									
Measured	262	570	0.68			4,809	3.9		
Indicated	531	602	0.60			10,274	7.1		
Silver-Copper M&I	793	591	0.63			15,083	11.0		
Silver-Lead									
Measured	432	284		8.66		3,942		82.6	
Indicated	570	276		8.55		5,051		107.4	
Silver-Lead M&I	1,002	279		8.60		8,993		190.0	
Total Galena M&I	1,795	417	0.28	4.80	--	24,076	11.0	190.0	--
Total M&I	15,414	142	0.18	1.61	2.33	70,130	60.0	548.7	790.9

1. CIM (2014) Definition Standards were followed for Mineral Resource estimates.
2. Mineral Resources are estimated at a NSR cut-off value of US$34/tonne at San Rafael, US$40/tonne at Zone 120, US$30/tonne at El Cajón and US$198/tonne at Galena. Mineral Resources at Nuestra Señora are estimated at a 90g/tonne silver equivalent cut-off grade. Mineral Resources at San Felipe are estimated at a 2.5% zinc equivalent cut-off grade. NSR and equivalent cut-offs were calculated using recent or expected operating results for recoveries, off-site concentrate costs, and on-site operating costs.
3. Mineral Resources are estimated using metal prices of US$18.00/oz Ag, US$3.00/lb Cu, US$1.05/lb Pb and US$1.05/lb Zn.
4. Mineral Resources are exclusive of Mineral Reserves and as such the Mineral Resources do not have demonstrated economic viability.
5. The Mineral Resources attributable to the San Felipe project have an effective date of March 15, 2018.
6. Numbers may not add due to rounding.

Inferred Mineral Resources at June 30, 2018

		Grade				Contained Metal			
	Tonnes	Silver	Copper	Lead	Zinc	Silver	Copper	Lead	Zinc
	000s	g/t	%	%	%	koz	Mlbs	Mlbs	Mlbs
Cosalá									
Nuestra Señora	2,009	101	0.26	0.83	1.90	6,539	11.3	37.0	84.3
San Rafael	452	167		2.23	0.39	2,421		22.2	3.8
Zone 120	216	126	0.33			876	1.6		
El Cajón	278	103	0.18			923	1.1		
Total Cosalá Inferred	2,955	113	0.21	0.91	1.35	10,759	14.0	59.1	88.1
Total San Felipe Inferred	2,008	48	--	1.43	3.57	3,110	--	63.2	157.8
Galena									
Silver-Copper	381	654	0.86			8,005	7.2		
Silver-Lead	713	282		9.63		6,453		151.4	
Total Galena Inferred	1,093	411	0.30	6.28	--	14,458	7.2	151.4	--
Total Inferred	6,057	145	0.16	2.05	1.84	28,327	21.2	273.7	246.0

* Refer to the Notes in the previous table.

The Mineral Resource estimate for the Cosalá Operations is based on block models prepared by independent mineral resource consultants. The Nuestra Señora Mineral Reserve and Resource estimate was prepared by Company personnel under the supervision of James Stonehouse, SME-RG, a Qualified Person for the purpose of NI 43-101. The San Rafael, Zone 120 and El Cajón Mineral Resource estimates were prepared by Paul Tietz, C.P.G. who is an independent consultant and Qualified Person for the purpose of NI 43-101. The San Rafael Mineral Reserve estimate was prepared by Company personnel under the supervision of Shawn Wilson, P.Eng., a Qualified Person for the purpose of NI 43-101.

The Mineral Resource estimate for the Galena Complex was prepared using a combination of block modelling and the accumulation method. The Mineral Resource estimate was prepared by Company personnel under the supervision of Aaron Gross, C.P.G., a Qualified Person for the purpose of NI 43-101. The Mineral Reserve estimate was prepared by Company personnel under the supervision of Shawn Wilson, P.Eng., a Qualified Person for the purpose of NI 43-101.

The Mineral Resource estimate for the San Felipe Operations follows CIM standards and was completed in accordance with the guidelines of NI 43-101. The modeling and estimation of the mineral resources were done under the supervision of Paul G. Tietz, C.P.G., an independent consultant and a qualified person for

the purpose of NI 43-101. Americas Silver is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant issues that would materially affect the mineral reserve or mineral resource estimates.

Varying cut-off grades have been used depending on the mine, methods of extraction and type of ore contained in the reserves. Mineral resource metal grades and material densities have been estimated using industry-standard methods appropriate for each mineral project with support of various commercially available mining software packages. The Company's normal data verification procedures have been employed in connection with the calculations. Verification procedures include industry standard quality control practices. Sampling, analytical and test data underlying the stated mineral resources and reserves have been verified by employees of the Company under the supervision of Qualified Persons, for purposes of NI 43-101 and/or independent Qualified Persons. Additional details regarding Mineral Reserve and Mineral Resource estimation, classification, reporting parameters, key assumptions and associated risks for each of the Company's mineral properties are provided in the respective NI 43-101 Technical Reports, which are available on the Company's SEDAR profile at www.sedar.com. The content of the NI 43-101 Technical Reports do not form part of this AIF.

Cosalá Operations

The Company has historically addressed disclosure relating to the San Rafael deposit together with the Nuestra Señora and El Cajón deposits as all are within Americas land holdings in the Cosalá mining district. Recent work programs, however, have been focused on the San Rafael area. The Company does not view the El Cajón deposit on its own as material at this time and, as such, references in this report to the El Cajón deposit are provided only for historical completeness. The San Rafael mine will operate independently of the Nuestra Señora mine and will not share infrastructure with Nuestra Señora except as discussed herein. Although a separate and distinct project, the operations of the Nuestra Señora mine provide Americas Silver with insight into processing and mining operations in the district that will be relevant in operating the San Rafael mine and as such certain references to the Nuestra Señora mine have been used in the San Rafael Technical Report for that purpose.

Description, Location, Access, Ownership and Permits

The Cosalá mining district is located in the east-central portion of the state of Sinaloa, Mexico. The town of Cosalá is about 240km by road north of Mazatlán. The Nuestra Señora mine is located 3.5km southeast of the mill and San Rafael is located about 12km north- northeast of the town of Cosalá. The district is accessible from the town of Cosalá via rural paved and dirt roads. All primary access roads can accommodate standard highway vehicles.

At the end of 2017, the Company's property in the Cosalá mining district, on which the San Rafael mine is located, consists of 67 mineral concessions that cover approximately 19,386ha. The concessions occur in two non-contiguous blocks, and within both blocks are a number of areas of land that the Company does not control. One such concession not controlled by the Company lies immediately adjacent to the southwest boundary of the San Rafael deposit. Other deposits within the Company's property are El Cajón, which adjoins San Rafael to the southwest, and Nuestra Señora, a dormant mine located approximately 12km to the southeast of San Rafael.

The Company owns the concessions through its wholly owned subsidiaries, Minera Cosalá, S.A. de C.V. and Minera Platte. Although five of the 67 concessions are subject to a 1.25% net smelter return royalty, the San Rafael resources do not extend onto any of these five concessions.

All necessary operating and environmental permits for current operations are in place. The Cosalá Operations are subject to applicable environmental regulation. For further detail for further detail see "**Description of the Business – *Environmental Protection***" and "**Risk Factors – *Government Regulation and Environmental Compliance***".

History and Exploration

The Cosalá mining district, where polymetallic mineralization occurs as primarily skarn-related deposits, was discovered and locally worked by the Spanish approximately 400 years ago. At the turn of the 19th century, French engineers reportedly developed and worked the Nuestra Señora mine with a 10 stamp mill that produced 800 to 1,000kg of silver per month. In 1949, Asarco Mexicana ("ASARCO") purchased the Nuestra Señora mine and also mined material from the La Estrella mine, located one kilometer north of San Rafael. In addition, ASARCO did some work at El Cajón, sending the material to the mill at La Estrella. In or about February 1965, ASARCO ceased production and subsequently removed all of the mining equipment. ASARCO let its concessions at Nuestra Señora lapse in 1980.

Following a period of minimal inactivity, Scorpio Mining acquired the right to earn 100% interest in the Nuestra Señora property in 1998 and began an exploration program there in 1999. Since 1999, Scorpio Mining's exploration at the Nuestra Señora property has included airborne magnetic, electromagnetic, and radiometric surveying; ground magnetic and electromagnetic surveying; geologic mapping; and sampling. Scorpio Mining began underground mine development at Candelaria in 2004 and in the Nuestra Señora Main Zone in 2005. The mill components were moved on-site starting in 2006, and the mill began producing concentrates in 2008.

Since 1965, several small Mexican mining operators have worked the mines in the vicinity of San Rafael and El Cajón. Modern exploration was started by Industrias Peñoles, S.A. de C.V. ("Peñoles") in the late 1970s into the 1980s and again in 1999. In 1995, Minas de Oro Hemlo, S.A. de C.V. ("Hemlo") conducted mapping, sampling, and road building, and drilled 15 reverse circulation holes primarily within the San Rafael area exploring for precious metals. In early 2000, Noranda Exploraciones Mexico, S.A. de C.V. ("Noranda") completed three IP-resistivity lines over the San Rafael zone in the area of the previous Hemlo drilling. Noranda drilled seven core holes at San Rafael totaling 1,348m in 2001.

Platte River Gold Inc. ("PRG") became interested in the San Rafael-El Cajón-La Verde area in early 2004. On June 1, 2004, PRG, through their Mexican subsidiary, signed a four-year option agreement for 100% of the exploration and mining concessions along with all of the infrastructure and mining equipment used at the La Verde mine and project area, excluding the mill in Cosalá. PRG made the final payment and acquired the property in July 2008. During their tenure, PRG conducted induced polarization, resistivity, and ground magnetic surveying; geological mapping; chip-channel sampling of outcrops and road cuts; and the drilling of 371 holes. They tested 15 different targets, but the focus of their work was on San Rafael and El Cajón.

Scorpio acquired PRG in 2010, thereby adding the San Rafael and El Cajón projects to their previously acquired Nuestra Señora project. On March 16, 2011, Scorpio acquired five mineral concessions from Grupo Industrial Minera Mexico S.A. de C.V. in the Cosalá district immediately adjacent to its existing concessions. From 2010 through July 20, 2012, Scorpio's exploration in the San Rafael and El Cajón area consisted of mapping and the drilling of 282 core holes totaling 35,296m. The focus of the work was on the San Rafael and El Cajón deposits. Scorpio also drilled four other targets including surface and underground drilling at the historic La Verde mine area. In 2010, Quantec Geoscience Ltd. completed a 48-line-kilometer Titan-24 DC/IP geophysical survey centered over the San Rafael area; results of subsequent drilling to test some of the anomalies were not encouraging.

Geology and Mineralization

The Cosalá mining district lies along the western edge of the Sierra Madre Occidental, an extensive Tertiary volcanic province covering approximately 800,000km^2. Mineralization within the Cosalá mining district is related to granodioritic or granitic intrusions emplaced between 140 and 45 million years ago into Cretaceous sedimentary rocks that overlie older basement terranes.

The property lies within a sub-circular inlier of Cretaceous limestone approximately 10km in diameter situated in the eastern part of the 139 to 45 Ma-old Sinaloa Batholith. Contact metamorphism of the limestones created re-crystallized limestone, marble, and skarn. Initial skarn development in the area was contemporaneous with emplacement of the batholith; however, there were several pulses of magmatic and hydrothermal activity. Carbonate replacement-style mantos, veins, chimneys, chimney breccias, and mineralized exoskarn and endoskarn occur within limestone and felsic and lesser mafic intrusions. Pyrite, sphalerite, chalcopyrite, galena, and lesser tetrahedrite are the principal sulphide minerals.

In the San Rafael-El Cajón area, Cretaceous limestone, commonly recrystallized and marbleized but only locally skarn-altered, is exposed within windows in Tertiary volcanic rocks. Massive sulfide Main Zone mineralization at San Rafael occurs primarily along the contact of dacite tuff with Cretaceous limestone, with additional mineralization within the dacite in the Upper Zone and within skarn-altered limestone in the Zone 120. The protolith at El Cajón is altered limestone, thought to be of Cretaceous age. San Rafael contains silver, lead, and zinc mineralization with minor gold and copper. The main minerals are pyrite, pyrrhotite, sphalerite, and galena with minor marcasite, chalcopyrite, and magnetite. The El Cajón-type of mineralization, also seen at the nearby Zone 120 deposit, is related to skarn alteration of calcareous sediments and occurs as both mantos and chimneys. It consists of silver-copper-gold mineralization in the form of chalcopyrite and tetrahedrite with minor pyrite, galena, sphalerite, arsenopyrite, chalcocite, jalpaite, native silver, copper, and bismuth.

Mining Method, Processing and Local Resources

San Rafael is an underground project utilizing a cut-and-fill mining method with conventional flotation to produce two concentrates, lead and zinc, with silver by-products.

Reserves have been based on a cut-and-fill mining method. Most of the fill material will be from development. It is not anticipated to use cement with the fill material since no mining against fill will be undertaken. To provide additional ground support pillars will be left in place as required. Cut-and-fill stopes were initially designed using Measured and Indicated blocks above a US$54 per tonne NSR cutoff. Development designs were created to provide mining access to the different cut-and-fill stopes. The cut-and-fill stopes are based on panel sizes up to 50m long and 16m high.

The Cosalá Operations has established necessary sources of water, power, waste disposal and tailings storage for current and planned operations. The Company has the necessary processing facilities and holds sufficient surface rights to conduct operations. Ore is hauled by third-party contractors from San Rafael to the Los Braceros process plant, a road distance of approximately 15km. The Los Braceros process plant is a conventional flotation mill that produces zinc, lead and copper concentrates. Silver is a payable metal in all three products. The facility processes approximately 1,700 tonnes per day through parallel primary ball mills feeding a single flotation circuit.

Metallurgical Testing

Metallurgical testing of material from San Rafael was conducted in seven main phases over a period of roughly ten years (2005 – 2015) on a variety of composites. Both bench-top and locked-cycle flotation testing conducted on the San Rafael Main Zone sulfide mineralization has shown this material can be

successfully processed using a sequential flotation process to produce separate silver-lead and zinc concentrate products. Lead head grades ranged from 1.22% to 2.09% while zinc head grades ranged from 2.99% to 4.27%.

The test work confirmed a conventional process approach would serve adequately with crushing and grinding followed by lead rougher floatation, in turn followed by zinc flotation. It was confirmed that a primary grind of 80% passing 100 to 110µm would be suitable for commercial operation and data was obtained on reagent dosage.

Given the above particle size target, the anticipated lead and zinc recoveries are expected to exceed 75% and 83%, respectively, with total silver recovery of approximately 45% to 50%.

Capital and Operating Costs

Americas Silver has extensive experience with underground mining and processing at the nearby Nuestra Señora mine and Cosalá (Los Braceros) process plant. Costs have been estimated using a combination of real-world experience at Nuestra Señora and the Los Braceros plant and first principle costing. Note that the cost for cut-and-fill mining is based on performance at Nuestra Señora, and reflects the use of development waste fill without addition of cement.

Operating and capital costs estimates are shown in the following two tables.

San Rafael	**US$/t**
Operating Costs	**Processed**
Mining	21.15
Processing	13.67
Technical Services	1.80
G&A	6.07
Total Operating Cost	**42.69**

San Rafael	**Initial**	**Sustaining**	**Total**
Capital Costs	**K USD**	**K USD**	**K USD**
Mine Development	6,072	20,704	26,776
Mine Infrastructure	7,855	14,678	22,533
Process Infrastructure	2,011	1,777	3,788
Other	340	1,883	2,223
10% Contingency	1,021	370	1,391
Working	4,154	(4,154)	-
Total Capital Cost	**21,452**	**35,259**	**56,711**

Please see "**General Development of the Business – *Operations – Three Year History – 2018***" for the Company's updates on the San Rafael project.

Exploration, Development and Production

The Company's current strategy is focused on extending the mine life of its current assets through exploration, optimizing the recently developed San Rafael mine, and charting a path to profitability at Galena. Exploration will continue evaluating early stage targets with an emphasis on the Cosalá District, and prospective areas near existing infrastructure at the Galena Complex.

Galena Complex

The Galena Complex consists of the operating Galena mine with two shafts (Galena and #3), the Galena processing plant, the idle Coeur mine with one shaft (Coeur), the Coeur processing plant (currently on care and maintenance), and the Caladay exploration property with one shaft. The Galena mine has operated since 1885, and since 1953 the Galena Complex has yielded approximately 230 million ounces of silver along with associated amounts of lead and copper. Galena produces a nominal 550 tons per day ("stpd") of ore. The flotation processing plant located at Galena has a capacity of 700 stpd. It is configured to produce a single flotation concentrate.

Property Description and Location

The Galena Complex is located in the Coeur d'Alene Mining District in Shoshone County, Idaho, a prolific silver producing district since the mid-1800s, located two miles west of the town of Wallace. Spokane, Washington is about 75 miles to the west and Missoula, Montana is about 110 miles to the east. The property is about 1 mile south of Interstate Highway I-90.

The property covers 8,915 acres, over an area about 9 miles long east to west, and 2 miles wide north to south. The Galena Shaft is located near the center of the property and lies at 47028'39" N latitude and 115058'01" W longitude, with a collar elevation of 3,042 feet above sea level.

Land Tenure and Ownership

The Company's land position at the Galena Complex has changed since the previous Technical Report due to the sale of part of holdings on the western end of the property. The property is a combination of patented, unpatented and fee lands that are owned or leased by the Company's subsidiaries. The total area covered by all the land owned, controlled or leased by the Company is 8,915 acres. All properties are in good standing with respect to title and current taxes. Net smelter return royalty agreements exist on some leased properties, but no production has been realized from any of the leased claims, and none is contemplated in the life of mine plan ("LOMP"). All necessary operating and environmental permits are current. All production, reserves and resources are on patented mining claims owned by the Company. See also "**Risk Factors – *Mining Property and Title Risks***" and "**Risk Factors – *Surface Rights and Access***".

Permitting

The Company has all material permits required to operate the mines, processing plants and tailing storage facility comprising the Galena Complex as currently contemplated.

Physiography, Accessibility, Climate, Local Resources

The Coeur d'Alene District lies in the Bitterroot Mountains, a part of the Northern Rocky Mountains. The Galena area is one of high relief and rugged terrain, with many slopes at angles of 30% or greater. Valley flats are restricted to the main stream and the lower reaches of some major tributaries; in only a few places do the flats exceed half a mile in width. Ridge crests range in altitude from 6,000 to 7,000 feet. Thus the maximum relief between valley floors and adjacent ridge crests and peaks ranges from 3,000 to 4,000 feet. The climate of the Coeur d'Alene District is strongly seasonal with warm summers and hard winters. Mining and exploration activities take place year-round.

The Company's land position lies along and immediately south of the main freeway through the area, Interstate Highway I-90. All the centers of population and Americas Silver's property are accessible by main highways, hard surfaced roads or well-graded gravel roads. Personnel are sourced from nearby towns and cities.

The Company has established necessary sources of water, power, waste disposal and tailings storage for current and planned operations. The Company has the necessary processing facilities and holds sufficient surface rights to conduct its operations.

Existing Infrastructure

The Company has the necessary processing facilities and holds sufficient surface rights to conduct operations. The surface and underground infrastructure at the Galena Complex include the following:

- Galena processing facility
- Galena and #3 shafts equipped for hoisting
- Coeur processing facility
- Coeur shaft equipped for hoisting
- Caladay shaft for ventilation only
- A tailings storage facility located near the town of Osburn
- Shops, offices, warehouse facilities and a mine dry
- Inter-connected level development connecting the 4 shafts

History and Exploration

The Galena Complex is situated in the center of the Coeur d'Alene Mining District of North Idaho. Placer gold was first discovered in the district in 1858. By 1860, the gold-rush prospectors had also discovered the silver-lead veins in the district.

Prior to Americas Silver, companies owning all or part of the Galena Complex properties at various times since 1887 have included Killbuck Mining, Galena Mining, Callahan Mines, Federal Mining and Smelting, Vulcan, ASARCO, Day Mines, Coeur d'Alene Mines, U.S. Silver, and U.S. Silver and Gold Inc.

Since 1953, the Galena and Coeur Mines have yielded approximately 230 million ounces of silver, 159 million pounds of copper and 69 million pounds of lead from 11.8 million tons of combined silver-copper and silver-lead ore. More than 80% of the total silver has come from the Galena mine.

The Galena mine has a long history dating back to 1887, but the modern history and mining commenced in 1947 under the management of ASARCO. From 1953 to 2013 the Galena mine primarily mined silver-copper ore with minor production of silver-lead ore. Beginning in 2014, silver-lead ore became the predominant ore type.

Total production from the Galena mine from 1953 to the end of 2015 was approximately 189.5 million ounces of silver from 9.3 million tons of ore. Average grade of the silver-copper ore was 21.3 opt Ag and 0.72% Cu. Average grade of the silver-lead ore was 5.1 opt Ag and 6.0% Pb. This excludes production from the Coeur mine, which is now part of the Galena Complex.

The Coeur mine shaft was collared in 1963 by Coeur d'Alene Mines. The mine produced continuously from 1976 through 1991, and again from 1996 through 1997. The total production from the Coeur mine sent to the process plants was approximately 40.5 million ounces of silver from 2.5 million tons of ore. Average ore grades were 16.5 opt Ag and 0.67% Cu.

The Coeur mine was put on care and maintenance from 1997 to 2007, when work was begun to rehabilitate the Coeur mine 3400 Level and later the Coeur shaft. The Coeur mill was re-started in September 2007 to process silver-lead ore from the Galena mine. By early 2008, silver-lead ore was trammed from the Galena mine 3700 Level to the Coeur Shaft (Coeur 3400 Level) and was hoisted up the Coeur shaft for processing at the Coeur mill. During 2012, the Coeur mine was rehabilitated for mining, which started in September 2012 but underground work ceased in 2014.

The Caladay property began in the mid-1960s as a joint venture involving Callahan Mining, ASARCO, and Day Mines (hence the name "Caladay"). The joint venture sank a 5,100-foot shaft during the early 1980s on the east end of the Coeur d'Alene Silver Belt, just east of the Galena property. From the 4900 Level of the Caladay shaft an exploration drift was developed east and west. The western drift intersects the Galena mine's 4900 Level.

The joint venture was purchased by Coeur d'Alene Mines Corp in the 1980s. The Caladay shaft and workings are currently used as ventilation exhaust for the Galena workings.

After the 1980s no exploration was undertaken on the Caladay property until 2012, when U.S. Silver and Gold Inc. drilled several thousand feet and defined Mineral Resources as discussed in section 14 of the Galena Technical Report.

Geology and Mineralization

The Galena Complex and most other deposits of the Coeur d'Alene Mining District are hosted by metamorphosed Precambrian sedimentary rocks which are part of the Belt Supergroup. The strata are composed primarily of fine-grained quartz and clay (the clay now metamorphosed to fine-grained white mica, or sericite). Three major rock types are generally recognized; vitreous quartzite, which is primarily metamorphosed fine-grained quartz sand, siltite-argillite, which is silt-sized quartz grains that are completely separated from each other by a large proportion of sericite, and sericitic quartzite which contains intermediate proportions of quartz and sericite.

Mineralization at the Galena Complex occurs in steeply dipping fissure filling veins, and in wide disseminated zones, all occurring near four major fracture systems and three major faults. The veins generally strike east-west and northeast-southwest, and range in thickness from a few inches to over fifteen feet.

The vein mineralization is of two distinct types: silver-copper mineralization containing tetrahedrite and lesser chalcopyrite as the principal economic minerals; and silver-lead mineralization dominated by argentiferous galena. Gangues in both types are mainly siderite, with varying amounts of pyrite and quartz. The silver-lead mineralization occurs both as well-defined, steeply-dipping, relatively narrow veins, and as wider zones of disseminated and stringer mineralization. The latter type occurs predominately in the eastern part of the property, in the Caladay Zone, on and adjacent to the former Caladay property.

Mining Methods

The current mining methods used at the Galena Complex are conventional cut and fill and mechanized cut and fill. Conventional cut and fill is done using the overhand method, utilizing hydraulically placed tailings ("sand fill") as backfill, typically without the addition of cement. Mechanized cut and fill is done using both overhand and underhand methods. In the case of the overhand method, sand fill is used as backfill, typically without the addition of cement. For the underhand method, cement is typically added to the sand fill in order to provide the required strength to work underneath the placed backfill. Ore is hauled to either the Galena or #3 shafts via tracked locomotives and rail cars. Ore is loaded into the rail cars directly via ore chutes in stopes, pneumatic cavos, or in mechanized stoping areas, by diesel scooptrams/Load Haul Dump equipment. Waste associated with primary and secondary development is typically kept underground and placed as fill in old headings and open stopes. As needed, it can be hauled to the shaft, skipped to surface and placed on the existing surface waste rock storage facility. Ore is currently skipped to surface from several levels of the mine using either the #3 hoist. The Coeur mine and shaft is currently on care and maintenance. The Coeur shaft is used for ventilation purposes and provides an alternative means of egress.

Mineral Processing

The Galena Complex consists of two processing plants, Galena and Coeur. The Coeur plant has been on care and maintenance since April 2016. The Galena processing plant follows a conventional flowsheet:

- Crushing and Screening
- Grinding and Cycloning
- Flotation Concentration
- Concentrate Dewatering
- Tailings Pumping for Sand Fill
- Tailings Pumping for Osburn Tailings Storage Facility

Overall recoveries achieved in 2018 production at the Galena processing plant were approximately 95% for silver and 92% for lead. Although only a silver-lead concentrate is currently produced, the LOMP does include future mining from the silver-copper veins, at which time a silver-copper concentrate will be produced again.

Project Infrastructure

The Galena Complex has produced for 130 years with only minor interruption. There are four shafts on the property of which the Galena, #3 and Coeur are equipped for hoisting. The #3 shaft currently serves as the main production hoist while the Galena shaft assists with personnel movement.

Surface facilities other than the processing plants at both the Galena and Coeur Mines include compressor houses, mine dry, mine and administrative offices, warehouses, timber framing yard, parking areas, hoist houses and headframes, a core storage facility, electrical power lines and substations for both mines and a modern telecommunications system.

Primary utilities for the Galena Complex include fixed installations for main and auxiliary ventilation, water pumping systems, electrical distribution and a clean water supply. In addition, there are mine and surface water treatment circuits.

The tailings storage facility, known as the Osburn Tailings Impoundment, is located adjacent to the town of Osburn, approximately 2 miles from the Galena processing plant.

Markets

The principal commodities at the Galena Complex are freely traded, at prices that are widely known, so that prospects for sale of any production are virtually assured, subject to achieving product specifications.

As per industry norms for silver-lead and silver-copper concentrates, penalty charges are incurred for various deleterious elements when above specified levels. There are no known “hard caps” currently in place with any of the existing off-take agreements that would result in the concentrates not being readily saleable.

Capital and Operating Cost Estimates

Capital cost estimates for the Galena Complex are based on stated reserves. The sustaining capital costs total $36 million over a 7-year mine life, including mine development, mine/plant infrastructure, equipment costs, plant costs and tailings management.

In addition to sustaining capital costs, reclamation and closure costs are estimated at $2.84 million. This estimate covers reclamation and closure of the Osburn Tailings Impoundment, re-sloping and vegetation of the waste dumps and other surface disturbances and ongoing site monitoring.

Operating costs in the LOMP are based on recent operating history and average approximately $29 million per year. The table below shows the unit operating costs.

Galena Complex	US$/ton
Operating Costs	**Processed**
Mining	80.00
Processing	12.00
Exploration	2.00
G&A	53.00
Total Operating Cost	147.00

Please see "**General Development of the Business – *Operations – Three Year History 2018***" for the Company's updates on the Galena Complex.

Exploration, Development and Production

The Company's current strategy is focused on extending the mine life of its current assets through exploration, optimizing the recently developed San Rafael mine, and charting a path to profitability at Galena. Exploration will continue evaluating early stage targets with an emphasis on the Cosalá District, and prospective areas near existing infrastructure at the Galena Complex.

Relief Canyon Mine

Assuming the completion of the Pershing Gold Acquisition, the Relief Canyon Mine will become a mineral project material to Americas Silver on a post-acquisition basis. For more information, please see the Acquisition Circular, which is available for review on the Company's SEDAR profile at www.sedar.com.

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THE SAN FELIPE PROPERTY

The San Felipe property is located in the Sonora River basin in the state of Sonora, northwest Mexico, within the San Felipe de Jesús and Huépac municipalities. The San Felipe property is located 160 km north-northeast of the city of Hermosillo, Sonora's capital city, and 6 km west of the town of San Felipe de Jesús. The San Felipe property is not a mineral project material to the Company.

The San Felipe property consists of approximately 16,265 ha of mineral concessions under lease from the government of Mexico. The area is covered by 14 mineral concessions, all of which have been titled as Mining Concessions, according to Mexican mining law. The titles are valid for 50 years from the date titled and can be renewed for another 50 years. All of the concessions are held by Hochschild.

On March 2, 2017, Americas Silver entered into the San Felipe Option Acquisition agreement with Santacruz Silver Mining Ltd. (" Santacruz") to acquire an existing option with Hochschild for the right to acquire a 100% interest of the San Felipe property located in Sonora, Mexico for total consideration of $15 million in cash, payable in two installments. The purchase of the option for $5 million plus an initial option payment for $2 million was paid to Santacruz and Hochschild, respectively, with cash on hand by the Company in March 2017 while the final option payment of $8 million was payable to Hochschild on or before December 15, 2017. On December 1, 2017, the final option payment of $8 million, plus applicable VAT, was amended to become option payments of $0.5 million paid on January 1, 2018, $0.5 million paid on April 1, 2018, $1.0 million paid on July 1, 2018, with the remaining balance of $6 million payable on or before December 31, 2018. On December 15, 2018, the remaining option payment of $6 million, plus applicable VAT, was amended to become eight quarterly option payments of $0.75 million due and payable following the end of first quarter 2019, subject to satisfaction of certain conditions. As consideration for the amendment, the Company issued common shares valued at $0.6 million to Hochschild subsequent to year-end. Following the announcement of the Pershing Gold Acquisition, the Company reviewed its strategic options for the San Felipe property and has classified it as an asset held-for-sale as at year end.

For more information regarding the San Felipe property, see the technical report (the " San Felipe Technical Report") – entitled "Technical Report and Estimated Resources for the San Felipe Project, Sonora, Mexico" dated May 3, 2018 and prepared in accordance with NI 43-101 by and under the supervision of Paul Tietz, C.P.G. of Mine Development Associates, Inc., who is a Qualified Person for the purposes of NI 43-101. The San Felipe Technical Report is available for review on the Company's SEDAR profile at www.sedar.com.

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RISK FACTORS

The business of the Company is subject to a substantial number of risks and uncertainties. In addition to considering the information disclosed in the forward-looking statements, financial statements and the other publicly filed documentation regarding the Company available on the Company's SEDAR profile at_www.sedar.com, the reader should carefully consider the following information. Any of these risk elements could have material adverse effects on the business of the Company. See "**Note 20 – Financial Risk Management**" of the 2018 Annual Financial Statements**.**

Risks Associated With Market Fluctuations in Commodity Prices

The majority of the Company's revenue is derived from the sale of silver, zinc and lead contained in concentrates. Fluctuations in the prices of these commodities represent one of the most significant factors affecting the Company's results of operations and profitability. If the Company experiences low silver, zinc and lead prices, it may result in decreased revenues and decreased net income, or losses, and may negatively affect the Company's business.

The market price for silver, zinc and lead continues to be volatile and is influenced by a number of factors, including, among others, levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments, improved mining and production methods, speculative trading activities, inventory carrying costs, availability and costs of metal substitutes, international economic and political conditions, interest rates and the relative exchange rate of the U.S. dollar with other major currencies. The aggregate effect of such factors (all of which are beyond the control of the Company) is impossible to predict with any degree of accuracy, and as such, the Company can provide no assurances that it can effectively manage such factors. In addition, the price of silver, for example, has on occasion been subject to very rapid short-term changes due to speculative activities. Fluctuations in silver and other commodity prices may materially adversely affect the Company's financial performance or results of operations. The world market price of commodities has fluctuated during the last several years. Declining market prices for silver and other metals could have a material adverse effect on the Company's results of operations and profitability. If the market price of silver and other commodities falls significantly from its current levels, the operation of the Company's properties may be rendered uneconomic and such operation and exploitation may be suspended or delayed.

In particular, if applicable commodity prices are depressed for a sustained period and net losses accumulate, the Company may be forced to suspend some or all of its mining until the price increases, and record asset impairment write-downs. Any lost revenues, continued or increased net losses, or asset impairment write-downs would adversely affect the Company's results of operations.

The Company is Dependent on the Success of the San Rafael Project at its Cosalá Operations and the Galena Complex Which are Both Exposed to Operational Risks

The principal mineral projects of the Company are the San Rafael project at its Cosalá Operations and the Galena Complex. The Company is primarily dependent upon the success of these properties as sources of future revenue and profits. Commercial production and operations at San Rafael will require the commitment of resources for operating expenses and capital expenditures, which may increase subsequently as needed, and for consultants, personnel and equipment associated primarily with commercial production. In addition, the Company's other mining operations, exploration and development will require the commitment of additional resources for operating expenses and capital expenditures, which may increase subsequently as needed, and for consultants, personnel and equipment associated with advancing exploration, development and commercial production. The amounts and timing of expenditures will depend on, among other things, the results of commercial production, the progress of ongoing exploration and development, the results of consultants' analysis and recommendations and other factors, many of which are beyond the Company's control.

Substantial risks are associated with mining and milling operations. The Company's commercial operations are subject to all the usual hazards and risks normally encountered in the exploration, development and production of silver, zinc, lead and copper, including, among other things: unusual and unexpected geologic formations, inclement weather conditions, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and legal liability. The Company will take appropriate precautions as are applicable to similar mining operations and in accordance with general industry standards to help mitigate such risks. However, the Company can provide no assurances that its precautions will actually succeed in mitigating, or even reducing the scope of potential exposure to, such operational risks.

Substantial efforts and compliance with regulatory requirements are required to establish mineral reserves through drilling and analysis, to develop metallurgical processes to extract metal and, in the case of development properties, to develop and construct the mining and processing facilities and infrastructure at any site chosen for mining. Shareholders cannot be assured that any reserves or mineralized material acquired or discovered will be in sufficient quantities to justify commercial operations.

There can be no certainty that the Company's exploration, development and production activities will be commercially successful.

Mineral Reserves and Resources, Development and Production

The estimation of ore reserves is imprecise and depends upon a number of subjective factors. Estimated ore reserves or production guidance may not be realized in actual production. The Company's operating results may be negatively affected by inaccurate estimates. Reserve estimates are a function of geological and engineering analyses that require the Company to make assumptions about production costs and the market price of silver and other metals. Reserve estimation is based on available data, which may be incomplete, and subject to engineering and geological interpretation, judgment and experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render ore reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the ore reserves, such as the need for orderly development of the ore bodies and the processing of new or different ore grades may cause a mining operation to be unprofitable in any particular accounting period. Should the Company encounter mineralization or geologic formations at any of its mines different from those predicted, adjustments of reserve estimates might occur, which could alter mining plans. Either of these alternatives may adversely affect the Company's actual production and operating results.

The mineral reserve and resource estimates contained or incorporated are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified reserve or resource will qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company relies on laboratory-based recovery models and historical performance of its processing plant to project estimated ultimate recoveries by ore type at optimal grind sizes. Actual recoveries in a commercial mining operation may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations and there can be no assurance that historical performance of the process plant will continue in the future. Material changes, inaccuracies or reductions in proven and probable reserves or resource estimates, grades, waste-to-ore ratios or recovery rates could have a materially adverse impact on the Company's future operations, cash flows, earnings, results of operations, financial condition and the economic viability of projects. The estimated proven and probable reserves and resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Company has engaged internal and expert independent technical consultants to advise it on, among other things, mineral resources and reserves, geotechnical, metallurgy and project engineering. The Company believes that these experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. If, however, the work conducted by, and the mineral resource and reserve estimates of these experts are ultimately found to be incorrect or inadequate in any material respect, such events could materially and adversely affect the Company's future operations, cash flows, earnings, results of operations, financial condition and the economic viability of its projects.

The Company's ability to sustain or increase present production levels depends in part on successful exploration and development of new ore bodies and/or expansion of existing mining operations. Forecasts of future production are estimates based on interpretation and assumptions and actual production may be less than estimated. Mineral exploration involves many risks and is frequently unproductive. If mineralization is discovered, it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish ore reserves, extract metals from ores and, in the case of new properties, to construct mining and processing facilities and infrastructure at any site chosen for mining. The economic feasibility of any development project is based upon, among other things, estimates of the size and grade of ore reserves, proximity to infrastructures and other resources (such as water and power), metallurgical recoveries, production rates and capital and operating costs of such development projects, and metals prices. Development projects are also subject to the completion of positive technical and economic studies, issuance of necessary permits and receipt of adequate financing, which may be difficult to obtain on terms reasonably acceptable to the Company.

The Company's future silver, zinc, lead and copper production may decline as a result of an exhaustion of reserves and possible closure of work areas. It is the Company's business strategy to conduct silver exploration activities at the Company's existing mining operations as well as at new exploration projects, and to acquire other mining properties and businesses or reserves that possess mineable ore reserves and are expected to become operational in the near future. However, the Company can provide no assurance that its future production will not decline. Accordingly, the Company's revenues from the sale of concentrates may decline, which may have a material adverse effect on its results of operations.

Global Financial and Economic Conditions

The re-emergence of a global financial crisis or recession or reduced economic activity in the United States, China, India and other industrialized or developing countries, or disruption of key sectors of the economy such as oil and gas, may have a significant effect on the Company's results of operations or may limit its ability to raise capital through credit and equity markets. The prices of the metals that the Company produces are affected by a number of factors, and it is unknown how these factors may be impacted by a global financial event or developments impacting major industrial or developing countries. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility and market uncertainty were to continue, the Company's operations and financial condition could be adversely impacted.

Government Regulation and Environmental Compliance

The Company is subject to significant governmental regulations, and costs and delays related to such regulations may have a material adverse effect on the Company's business.

The Company's mining activities are subject to extensive federal, state, local and foreign laws and regulations governing environmental protection, natural resources, prospecting, development, production, post-closure reclamation, taxes, labour standards and occupational health and safety laws and regulations including mine safety, toxic substances and other matters related to the Company's business. The costs associated with compliance with such laws and regulations could be substantial. Possible future laws and regulations, or more restrictive interpretations of current laws and regulations by governmental authorities could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of the Company's properties. Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, which could lead to the imposition of substantial fines, penalties and other civil and criminal sanctions. Substantial costs and liabilities, including for restoring the environment after the closure of mines, are inherent in the Company's operations. The Company is often required to post surety bonds or cash collateral to secure its reclamation obligations and may be unable to obtain the required surety bonds or may not have the resources to provide cash collateral, and the bonds or collateral may not fully cover the cost of reclamation and any such shortfall could have a material adverse impact on its financial condition. Although the Company believes it is in substantial compliance with applicable laws and regulations, the Company can give no assurance that any such law, regulation, enforcement or private claim will not have a material adverse effect on the Company's business, financial condition or results of operations.

In the United States, some of the Company's mining wastes are currently exempt to a limited extent from the extensive set of federal Environmental Protection Agency (the "EPA") regulations governing hazardous waste under the *Resource Conservation and Recovery Act* (the "RCRA"). If the exemption is altered and these wastes are designated as hazardous under the RCRA, the Company would be required to expend additional amounts on the handling of such wastes and may be required to make significant expenditures to construct or modify facilities for managing these wastes. In addition, releases of hazardous substances from a mining facility causing contamination in or damage to the environment may result in liability under the *Comprehensive Environmental Response, Compensation and Liability Act* (the "CERCLA"). Under the CERCLA, the Company may be jointly and severally liable for contamination at or originating from its facilities. Liability under the CERCLA may require the Company to undertake extensive remedial clean-up action or to pay for the government's clean-up efforts. It can also lead to liability to state and tribal governments for natural resource damages. Additional regulations or requirements are also imposed upon the Company's operations in Idaho under the federal *Clean Water Act* (the "CWA"). Airborne emissions are subject to controls under air pollution statutes implementing the *Clean Air Act* in Idaho. Compliance with the CERCLA, the CWA and state environmental laws could entail significant costs, which could have a material adverse effect on the Company's operations.

The Company's mining operations are subject to regulations promulgated by government agencies from time to time. Specifically, the Company's activities at the Galena Complex are subject to regulation by the U.S. Department of Labor's Mine Safety and Health Administration and related regulations under applicable legislation and the Company's activities at the Cosalá Operations projects are subject to regulation by SEMARNAT (defined below), the environmental protection agency of Mexico. Such regulations can result in citations and orders which can entail significant costs or production interruptions and have an adverse impact on the Company's operations and profitability. SEMARNAT regulations require that an environmental impact statement, known in Mexico as MIA, be prepared by a third-party contractor for submittal to SEMARNAT. Studies required to support the MIA include a detailed analysis of the following areas: soil, water, vegetation, wildlife, cultural resources and socio-economic impacts. The Company must also provide proof of local community support for a project to gain final approval of the MIA.

In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and regulations, which involve significant costs and can entail significant delays. Such costs and delays could have an adverse impact on the Company's operations.

In the ordinary course of business, the Company is required to obtain or renew governmental permits for the operation and expansion of existing mining operations or for the development, construction and commencement of new mining operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions, which often involves public hearings and costly undertakings. The duration and success of the Company's efforts to obtain or renew permits are contingent upon many variables not within its control including the interpretation of applicable requirements implemented by the permitting authority. The Company's ability to obtain, maintain and renew permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with the Company's activities or those of other mining companies that affect the environment, human health and safety. Interested parties including governmental agencies and non-governmental organizations or civic groups may seek to prevent issuance of permits and intervene in the process or pursue extensive appeal rights. Past or ongoing violations of laws or regulations involving obtaining or complying with permits could provide a basis to revoke existing permits, deny the issuance of additional permits, or commence a regulatory enforcement action, each of which could have a material adverse impact on the Company's operations or financial condition. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from the property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could have a material adverse effect on the Company's operations and profitability.

Legislative and regulatory measures to address climate change and greenhouse gas emissions are in various phases of consideration. If adopted, such measures could increase the Company's cost of environmental compliance and also delay or otherwise negatively affect efforts to obtain permits and other regulatory approvals with regard to existing and new facilities. Proposed measures could also result in increased cost of fuel and other consumables used at the Company's operations. Climate change legislation or regulation may affect the Company's customers and the market for the metals it produces with effects on prices that are not possible to predict. Adoption of these or similar new environmental regulations or more stringent application of existing regulations may materially increase the Company's costs, threaten certain operating activities and constrain its expansion opportunities.

Mining Property and Title Risks

Third parties may dispute the Company's mining claims, which could result in losses affecting the Company's business. The validity of unpatented mining claims, which constitute a significant portion of the Company's property holdings in Idaho, is often uncertain and may be contested. Although the Company has attempted to acquire satisfactory title to undeveloped properties, the Company, in accordance with mining industry practice, does not generally obtain title opinions until a decision is made to develop a property. As a result, some titles, particularly titles to undeveloped properties, may be defective. Defective title to any of the Company's mining claims could result in litigation, insurance claims, and potential losses affecting the Company's business.

The validity of mining or exploration titles or claims, which constitute most of the Company's property holdings, can be uncertain and may be contested. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims and that such exploration and mining titles or claims, will not be challenged or impugned by third parties. The Company has not conducted surveys of all the claims in which it holds direct or indirect interests and therefore, the precise area and location of such claims may be in doubt. The Company's properties may be subject to prior unregistered liens, agreements or transfers, native land claims or undetected title defects.

Surface Rights and Access

The Company has reached various agreements for surface rights and access with certain local groups, including ejidos, for mining exploitation activities, including open pit mining, in the project area of Cosalá Norte. In addition, the Company currently has formal agreements for surface access with all ejidos on whose land its exploration activities are being performed. These agreements are valid for several years and are regularly reviewed in terms of the appropriate level of compensation for the level of work being carried out. The Nuestra Señora process facility is located on land previously purchased by the Company and is not exposed to disruptions by third party ownership claims.

For future activities, the Company will need to negotiate with ejido and non-ejido members, as a group and individually, to reach agreements for additional access and surface rights. Negotiations with ejidos can become time-consuming if demands for compensation become unreasonable. There can be no guarantee that the Company will be able to negotiate satisfactory agreements with any such existing members for such access and surface rights, and therefore it may be unable to carry out planned mining activities. In addition, in circumstances where access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate.

Labour Relations, Employee Recruitment, Retention and Pension Funding

The Company may experience labour disputes, work stoppages or other disruptions in production that could adversely affect its operations. The Company is dependent on its workforce at its material producing properties and mills. The Company endeavours to maintain good relations with its workforce in order to minimize the possibility of strikes, lock-outs and other stoppages at the site. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, competing labour unions, and the relevant governmental authorities in whose jurisdictions the Company carries on business. Many of the Company's employees at its operations are represented by a labour union under a collective labour agreement. The Company may not be able to satisfactorily renegotiate the collective labour agreement when it expires. In addition, the existing labour agreement may not prevent a strike or work stoppage at the Company's facilities in the future, and any such work stoppage could have a material adverse effect on its earnings. A subsidiary of the Company was party, with the United Steel Workers Union, to a collective bargaining agreement that covered substantially all of the hourly employees at the Galena Complex with a term from June 29, 2014 to June 28, 2017. The parties negotiated the terms of a collective bargaining agreement in good faith following expiry of its term, and effective August 29, 2018, union membership at the Galena Complex ratified a collective bargaining agreement that runs until August 28, 2022 and covers substantially all the operation's hourly employees. A failure to come to an agreement after expiration of such agreement could impact the operations at the Galena Complex if there was a labour action that results in an interruption of operations.

The Company also hires its employees or consultants to assist it in conducting its operations in accordance with laws of the host country. The Company also purchases certain supplies and retains the services of various companies in the host country to meet its business plans. It may be difficult to find or hire qualified people in the mining industry who are situated in the host country or to obtain all the necessary services or expertise in the host country or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in the host country, the Company may need to seek and obtain those services from people located outside the host country, which will require work permits and compliance with applicable laws and could result in delays and higher costs to the Company to conduct its operations. Recruiting and retaining qualified personnel is critical to the Company's success.

The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key executive, financial, operational, administrative and mining personnel. Although the Company believes that it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse effect on the Company's results of operations and profitability. The Company strongly depends on the business and technical expertise of its small group of management and key personnel. There is little possibility that this dependence will decrease in the near term. Key man life insurance is not in place on management and key personnel. If the services of the Company's management and key personnel were lost, it could have a material adverse effect on future operations.

The volatility in the equity markets over the last several years and other financial impacts have affected the Company's costs and liquidity through increased requirements to fund the Company's defined benefit pension plans for its employees. There can be no assurance that financial markets will sufficiently recover in the future with the effect of causing a corresponding reduction in the Company's future pension funding requirements. Furthermore, there can be no assurance that unforeseen changes in pensioner longevity, government regulation or other financial market uncertainties will not cause pension funding requirements to differ from the requirements projected by professional actuaries. The Company intends to continue to fund its pension plan for hourly and salary employees of the Company pursuant to all relevant regulatory requirements.

Some of the Company's Material Properties are Located in Mexico and are Subject to Changes in Political and Economic Conditions and Regulations in that Country

In the past, Mexico has been subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities. The Company's operations and properties are subject to a variety of governmental regulations including, among others: regulations promulgated by the Mexican Department of Economy – Dirección General de Minas, Mexico's Secretary of Environment and Natural Resources ("SEMARNAT"); the Mexican Mining Law; and the regulations of the Comisión Nacional del Aqua with respect to water rights. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. The Company's mineral exploration and mining activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Company's activities or maintenance of its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. Mexico's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects. The Mexican Government is conducting a highly publicized crackdown on the drug cartels, resulting in a loss of lives. The operation has been unaffected by the conflict and is unlikely to be in the future. However, if the government's actions lead to civil unrest, the situation could change.

The Company is uncertain if all necessary permits will be maintained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on its Cosalá District properties, or in any other projects that the Company becomes involved with. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties or other liabilities.

Community and Social

The Company's relationship with the communities where it operates is critical to ensuring the future success of project development and future operations. Globally, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. There is no assurance that the Company will be able to appropriately manage community relations in a manner that will allow the Company to proceed with its plans to develop and operate its properties.

Certain non-governmental organizations, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. Actions by such organizations could adversely affect the Company's reputation and financial condition and may impact its relationship with the communities in which it operates. These actions can relate not only to current activities but also historic mining activities by prior owners and could have a material, adverse effect on the Company. They may also file complaints with regulators and others. Such complaints, regardless of whether they have any substance or basis in fact or law, may have the effect of undermining the confidence of the public or a regulator and may adversely affect the Company.

Substantially All of the Company's Assets are Located Outside of Canada and This Could Have an Impact on Enforcement of Civil Liabilities Obtained in Canadian or U.S. Courts

Americas Silver is a corporation existing under the laws of Canada and its registered and head office is in Canada. Most of the Americas Silver's directors and officers, and some or all of the experts named in this AIF, are residents of Canada or otherwise reside outside of the United States, and a substantial portion of their assets, and a substantial portion of Americas Silver's assets, are located outside the United States Americas Silver has appointed an agent for service of process in the United States, but it may be difficult for holders of securities who reside in the United States to effect service within the United States upon Americas Silver or those directors, officers and experts who are not residents of the United States. Investors should not assume that a Canadian court would enforce a judgment of a United States court obtained in an action against Americas Silver or such other persons predicated on the civil liability provisions of the U.S. federal securities laws or the securities or "blue sky" laws of any state within the United States or would enforce, in original actions, liabilities against Americas Silver or such persons predicated on the U.S. federal securities laws or any such state securities or "blue sky" laws. Americas Silver has been advised by its Canadian counsel that a judgment of a United States court predicated solely upon civil liability under U.S. federal securities laws would probably be enforceable in Canada if the United States court in which the judgment was obtained has a basis for jurisdiction in the matter that would be recognized by a Canadian court for the same purposes. Americas Silver has also been advised by its Canadian counsel, however, that there is a substantial doubt whether an action could be brought in Canada in the first instance on the basis of liability predicated solely upon U.S. federal securities laws.

The Company is Subject to Currency Fluctuations that May Adversely Affect the Financial Position of the Company

One of the Company's primary operations is located in Mexico and many of its expenditures and obligations are denominated in Mexican pesos. The Company maintains its principal office and raises its equity financings in Canada, maintains cash accounts in both U.S. dollars and Canadian dollars and has monetary assets and liabilities in Canadian dollars and Mexican pesos. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and results of the Company. The Company may, from time to time, employ derivative financial instruments to manage exposure to fluctuations in foreign currency exchange rates.

Financing Risks

Should financing be sought in the future, there can be no assurances that the Company will be able to obtain adequate funding or that the terms of such financing will be favourable. In the event that cash flow from operations is insufficient, failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of its projects and the possible loss of such properties. The Company has a limited history of earnings, has never paid a dividend, and does not anticipate paying dividends in the near future.

Risks Associated With Outstanding Debt

The Company's ability to make scheduled payments of interest and principal on its outstanding indebtedness or refinance its debt obligations depends on its financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. There can be no assurance that the Company will generate sufficient cash flow from operating activities to make its scheduled repayments of principal, interest, and any applicable premiums.

The Company may be forced to pursue strategic alternatives such as reduce or delay capital expenditures, sell assets or operations, see additional capital or restructure or refinance its indebtedness. No assurances can be made that the Company would be able to take any of these actions, that these actions would be successful, or that these actions would be permitted under the terms of existing or future debt agreements.

If the Company cannot make scheduled payments on its debt, or comply with its covenants, it will be in default of such indebtedness and, as a result (i) holders of such debt could declare all outstanding principal and interest to be due and payable, (ii) the lenders under the credit facilities could terminate their commitments to lend the Company money, and (iii) the holders of the Company's secured debt could realize upon the security to the borrowings.

The Company May Engage in Hedging Activities

From time to time, the Company may use certain derivative products to hedge or manage the risks associated with changes in the of prices zinc, lead, and the Mexican Peso. The use of derivative instruments involves certain inherent risks including, among other things: (i) credit risk – the risk of an unexpected loss arising if a counterparty with which the Company has entered into transactions fails to meet its contractual obligations; (ii) market liquidity risk – the risk that the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; (iii) unrealized mark-to-market risk – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products.

There is no assurance that any hedging program or transactions which may be adopted or utilized by the Company designed to reduce the risk associated with changes price will be successful. Although hedging may protect the Company from an adverse price change, it may also prevent the Company from benefiting fully from a positive price change.

The Company May Require Significant Capital Expenditures

Substantial expenditures will be required to maintain, develop and to continue with exploration at the Company properties. In order to explore and develop these projects and properties, the Company may be required to expend significant amounts for, among other things, geological, geochemical and geophysical analysis, drilling, assaying, and, if warranted, mining and infrastructure feasibility studies.

The Company may not benefit from any of these investments if it is unable to identify commercially exploitable mineralized material. If successful in identifying reserves, it will require significant additional capital to construct facilities necessary to extract recoverable metal from those reserves.

The ability of the Company to achieve sufficient cash flows from internal sources and obtain necessary funding depends upon a number of factors, including the state of the worldwide economy and the price of silver, zinc, lead and copper. The Company may not be successful in achieving sufficient cash flows from internal sources and obtaining the required financing for these or other purposes on terms that are favourable to it or at all, in which case its ability to continue operating may be adversely affected. Failure to achieve sufficient cash flows and obtain such additional financing could result in delay or indefinite postponement of further exploration or potential development.

Risks Associated With the Company's Business Objectives

The Company's strategy to create shareholder value through the acquisition, exploration, advancement and development of its mineral properties will be subject to substantive risk. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all. Any partnership or joint venture agreements with respect to mineral properties that the Company enters into will be subject to the typical risks associated with such agreements, including disagreement on how to develop, operate or finance a property and contractual and legal remedies of the Company's partners in the event of such disagreement.

Current Holders of Americas Silver will have Reduced Ownership and Voting Interests in Americas Silver after the Pershing Gold Acquisition Than They Currently Have

Based on the number of Americas Silver common shares issued and outstanding, current shareholders of the Company and current holders of Pershing Gold common stock would own approximately 63.5% and 36.5% of Americas Silver common shares, respectively, upon the completion of the Pershing Gold Acquisition, assuming no additional issuances of Americas Silver common shares or shares of Pershing.

Gold Common Stock Between December 31, 2018 and the Effective Time of the Transaction. Any Delay in Completing the Transaction May Reduce or Eliminate the Benefits Expected to be Achieved Thereunder

The completion of the Pershing Gold Acquisition remains subject to the outstanding CFIUS regulatory clearances, which may continue to prevent, delay, or otherwise materially adversely affect its completion. While the Company expects to ultimately obtain the CFIUS clearance, it is not predicable when and whether this will be obtained. Furthermore, the requirements for obtaining the required clearances and approvals could delay the completion of the Pershing Gold Acquisition for a significant period of time or prevent it from occurring altogether. Any delay in completing the Pershing Gold Acquisition could cause the Company not to realize some or all of the synergies and other benefits that are expected to be achieved if the Pershing Gold Acquisition is successfully completed within its currently expected time frame.

The Integration of Americas Silver and Pershing Gold May Not Occur as Planned

The merger agreement for the Pershing Gold Acquisition was entered into with the expectation that its successful completion will result in increased precious metal production and an enhanced platform for growth for Americas Silver following completion of the transaction. These anticipated benefits will depend in part on whether Americas Silver's and Pershing Gold's operations can be integrated in an efficient and effective manner. The integration of the two companies will present challenges to management, including the integration of systems and personnel of the two companies, and special risks, including possible unanticipated liabilities and unanticipated costs. As a result of these factors, it is possible that the cost reductions and synergies expected from the Pershing Gold Acquisition will not be realized by Americas Silver. In addition, such synergies assume certain realized long-term metals prices and foreign exchange rates. If actual prices are below such assumed prices, the realization of potential synergies could be adversely affected.

Americas Silver May Be Subject to Significant Capital Requirements and Operating Risks Associated With its Expanded Operations and its Expanded Portfolio of Growth Projects.

Americas Silver must generate sufficient internal cash flows and/or be able to utilize available financing sources to finance its growth and sustaining capital requirements. If Americas Silver does not realize satisfactory prices for the commodities that it produces, it could be required to raise significant additional capital through the capital markets and/or incur significant borrowings to meet its capital requirements. These financing requirements could adversely affect Americas Silver's ability to access the capital markets in the future to meet any external financing requirements Americas Silver might have. If there are significant delays in terms of when any exploration, development and/or expansion projects are completed and producing on a commercial and consistent scale, and/or their capital costs were to be significantly higher than estimated, these events could have a significant adverse effect on Americas Silver's results of operation, cash flow from operations and financial condition. Americas Silver may need additional financing in connection with the implementation of its business and strategic plans from time to time after closing of the Transaction. The exploration and development of mineral properties, including Relief Canyon, and the ongoing operation of mines require a substantial amount of capital and may depend on Americas Silver's ability to obtain financing through joint ventures, debt financing, equity financing or other means. The combined entity may accordingly need further capital depending on exploration, development, production and operational results and market conditions, including the prices at which Americas Silver sells its production, or in order to take advantage of further opportunities or acquisitions. Americas Silver's financial condition, general market conditions, volatile metals markets, volatile interest rates, a claim against Americas Silver, a significant disruption to Americas Silver's business or operations or other factors may make it difficult to secure financing necessary for the expansion of mining activities or to take advantage of opportunities for acquisitions. Further, continuing volatility in the credit markets may affect the ability of Americas Silver, or third parties it seeks to do business with, to access those markets. There is no assurance that Americas Silver will be successful in obtaining required financing as and when needed on acceptable terms, if at all. If Americas Silver raises funding by issuing additional equity securities or securities convertible, exercisable or exchangeable for equity securities, such financing may substantially dilute the interests of the shareholders of Americas Silver and reduce the value of their investment. In addition, Americas Silver's mining operations and processing and related infrastructure facilities are subject to risks normally encountered in the mining and metals industry. Such risks include, without limitation, environmental hazards, industrial accidents, labor disputes, changes in laws, technical difficulties or failures, late delivery of supplies or equipment, unusual or unexpected geological formations or pressures, cave-ins, pit-wall failures, rock falls, unanticipated ground, grade or water conditions, flooding, periodic or extended interruptions due to the unavailability of materials and force majeure Page | 85 events. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining or processing, losses and possible legal liability. Any prolonged downtime or shutdowns at Americas Silver's mining or processing operations could materially adversely affect Americas Silver's business, results of operations, financial condition and liquidity.

Americas Silver's Future Results Will Suffer if it Does Not Effectively Manage its Expanded Operations Following the Pershing Gold Acquisition.

Following completion of the Pershing Gold Acquisition, the size of Americas Silver's business will increase significantly. Its future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations, and associated increased costs and complexity. There can be no assurances that Americas Silver will be successful following the completion of the Pershing Gold Acquisition.

Competition in the Mining Industry

Competition in the mining sector is intense. Mines have limited lives and as a result, the Company may in the future seek to replace and expand its reserves through the acquisition of new properties. In addition, there is a limited supply of desirable mineral lands available in areas where the Company would consider conducting exploration and/or production activities. Because the Company faces strong competition for new properties from other mining companies, some of which have greater financial resources than it does, the Company may be unable to acquire attractive new mining properties on terms that it considers acceptable. Competition in the mining business for limited sources of capital could adversely affect the Company's ability to acquire and develop suitable mines, developmental projects, producing companies, or properties having significant exploration potential. As a result, there can be no assurance that the Company's acquisition and exploration plans will yield new mineral reserves to replace or expand current mineral reserves.

Concentrate Sales Risks

The Company currently sells its concentrates under offtake contracts with a limited number of counterparties. Based on past practice, and the quality of its concentrates, the Company expects to be able to renew these contracts or find alternative purchasers for its concentrates, however there can be no assurance that the existing contracts will be renewed or replaced on reasonable terms.

The Company frequently sells its concentrates on the basis of receiving a sales advance when the concentrates are delivered, with the advance based on market prices of metals at the time of the advance. Final settlement of the sale is then made later, based on prevailing metals prices at that time. In an environment of volatile metal prices, this can lead to negative cash adjustments, with amounts owing to the purchaser, and such amounts could potentially be substantial. In volatile metal markets, the Company may elect to fix the price of a concentrate sale at the time of initial delivery.

Certain Risks Related to the Ownership of the Company's Common Shares

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, including mineral resource and mining companies and particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual severe fluctuations in price will not occur.

The Common Shares are currently listed on the TSX and the NYSE American. There can be no assurance that an active market for the Common Shares will be sustained.

Additionally, the exercise of stock options and warrants already issued by the Company and the issuance of additional equity securities or convertible debt securities in the future could result in dilution in the equity interests of holders of Common Shares.

Absolute Assurance on Financial Statements

The Company prepares its financial statements in accordance with accounting policies and methods prescribed by International Financial Reporting Standards. In the preparation of financial statements, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes that its financial reports and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance in that regard.

Conflicts of Interest

Certain of the Company's directors and officers also serve as directors and/or officers of other companies involved in natural resource exploration and development, and consequently there exists the possibility for such directors and officers to have interests that conflict with the Company's interests. Situations may arise in connection with potential investments where the other interests of the Company's directors conflict with its interests. As such, conflicts of interest may arise that may influence these persons in evaluating possible acquisitions or in generally acting on the Company's behalf, as they may pursue opportunities that would then be unavailable to the Company. In the event that the Company's directors are subject to conflicts of interest, there may be a material adverse effect on its business.

Uninsured or Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the Common Shares.

As of the date of this AIF, the Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Tax Considerations

Mexico

Corporate profits in Mexico are taxed only by the Federal Government. Previously, there were two federal taxes in Mexico that applied to the Company's operations in Mexico: corporate income tax and a Flat Rate Business Tax ("IETU"). Mexican corporate income tax was 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 as applicable at a corporate income tax rate in Mexico of 30%. The IETU was a cash-based minimum tax that applies in addition to the corporate income tax. The tax was applicable to the taxpayer's net income from the (i) sale of goods; (ii) performance of independent services; and (iii) lease of goods at the rate of 16.5% during 2008, 17% during 2009, 17.5% during 2010, 2011 and 2013.

In late 2013, a new income Tax Law was enacted in Mexico (" Mexican Tax Reform") which became effective January 1, 2014. Key provisions of the Mexican Tax Reform that may affect the Company consist of:

- New 7.5% mining royalty. This royalty is deductible for tax purposes and is calculated as 7.5% of a royalty base which is computed as taxable revenues (except interest and inflationary adjustments), less allowable deductions for income tax purposes (except interest, inflationary adjustment, depreciation and mining fees), less prospecting and exploration expenses for the year;
- New environmental duty of 0.5% of gross income arising from the sale of gold and silver;
- Corporate income tax rate to remain at 30%, eliminating the scheduled reduction to 29% in 2014 and to 28% in 2015;
- Elimination of the IETU;
- Elimination of the option for depreciation of capital assets on an accelerated basis;
- Elimination of 100% deduction on exploration expenses for locating and quantifying new deposits in pre-operating periods. These exploration costs will be amortized on a straight-line basis over 10 years; and
- Reduction of deductibility for various employee fringe benefits; and imposes a 10% withholding tax on dividends distributed to resident individuals or foreign residents (including foreign corporations). According to the Mexico-Canada tax treaty, this dividend withholding tax rate may be reduced to 5%.

The Company has reviewed the 2014 Tax Reform and is challenging the constitutionality of the 7.5% mining royalty, the 0.5% environmental duty, and other aspects of the Reform. The Company currently believes it is in compliance with the new legislation and there is no guarantee it will be successful in its challenges against the Mexican Government.

United States

On December 22, 2017, the Tax Cuts and Jobs Act was signed into law and significantly revised the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The Tax Cuts and Jobs Act, among other things, reduces the backup withholding tax rate from 28% to 24% and contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, limitation of the tax deduction for interest expense to 30% of adjusted earnings (except for certain small businesses), implementation of a "base erosion anti-abuse tax" which requires U.S. corporations to make an alternative determination of taxable income without regard to tax deductions for certain payments to affiliates, taxation of certain non-U.S. corporations' earnings considered to be "global intangible low taxed income" repeal of the alternative minimum tax ("AMT") for corporations and changes to a taxpayer's ability to either utilize or refund the AMT credits previously generated, revision in the attribution rules relating to shareholders of certain "controlled foreign corporations", limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, one-time taxation of offshore earnings at reduced rates regardless of whether they are repatriated, elimination of U.S. tax on foreign earnings (subject to certain important exceptions), immediate deductions for certain new investments instead of deductions for depreciation expense over time, and modification or elimination of many business deductions and credits. Notwithstanding the reduction in the U.S. corporate income tax rate, the overall impact of the Tax Cuts and Jobs Act is uncertain, and Americas Silver's business and financial condition could be adversely affected. The impact of the Tax Cuts and Jobs Act on holders of Americas Silver common shares is also uncertain and could be adverse. For example, recent changes in federal income tax law resulting in additional taxes owed by U.S. shareholders related to "controlled foreign corporations" may discourage U.S. investors from owning or acquiring (directly, indirectly or constructively) 10% or greater of outstanding Americas Silver common shares, which other shareholders may have viewed as beneficial or may otherwise negatively impact the trading price of Americas Silver common shares. Americas Silver is unable to predict what U.S. federal tax law may be proposed or enacted in the future or what effect such changes would have on Americas Silver's business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices, could affect Americas Silver's effective tax rates in the future where it has operations and have an adverse effect on its overall tax rate in the future, along with increasing the complexity, burden and cost of tax compliance. Shareholders are urged to consult with their legal and tax advisors with respect to this legislation and the potential tax consequences of investing in or holding Americas Silver common shares.

U.S. holders of Americas Silver common shares should be aware that Americas Silver believes it was not classified as a passive foreign investment company ("PFIC") for its tax year ended December 31, 2018, and based on current business plans and financial expectations, Americas Silver expects that it will not be a PFIC for the current tax year. Americas Silver has not made any determination as to its PFIC status for future tax years. PFIC classification is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question, and is determined annually. Consequently, there can be no assurance that Americas Silver will not become a PFIC for any tax year during which U.S. holders own Americas Silver shares.

If Americas Silver is a PFIC for any year during a U.S. holder's holding period, then such U.S. holder generally will be required to treat any gain realized upon a disposition of Americas Silver common shares, or any "excess distribution" received on its Americas Silver common shares, as ordinary income, and to pay an interest charge on a portion of such gain or distribution, unless the U.S. holder makes a timely and effective "qualified electing fund" election ("QEF Election") or a "mark-to-market" election with respect to its Americas Silver common shares. A U.S. holder who makes a QEF Election generally must report on a current basis its share of Americas Silver's net capital gain and ordinary earnings for any year in which Americas Silver is a PFIC, whether or not Americas Silver distributes any amounts to its shareholders. However, U.S. holders should be aware that there can be no assurance that Americas Silver will satisfy the record keeping requirements that apply to a QEF, or that Americas Silver will supply U.S. holders with information that such U.S. holders require to report under the QEF Election rules, in the event that Americas Silver is a PFIC and a U.S. holder wishes to make a QEF Election. Thus, U.S. holders may not be able to make a QEF Election with respect to their Americas Silver common shares. A U.S. holder who makes a mark-to-market election generally must include as ordinary income each year the excess of the fair market value of the Americas Silver common shares over the taxpayer's basis therein. Each U.S. holder should consult its own tax advisors regarding the PFIC rules and the U.S. federal income tax consequences of the Transaction and the acquisition, ownership, and disposition of Americas Silver common shares.

There is a risk that we will be classified as a controlled foreign corporation, or CFC, for U.S. federal income tax purposes. We will generally be classified as a CFC if more than 50% of our outstanding shares, measured by reference to voting power or value, are owned (directly, indirectly or by attribution) by "U.S. Shareholders." For this purpose, a "U.S. Shareholder" is any U.S. person that owns directly, indirectly or by attribution, 10% or more of the voting power of our outstanding shares. If we are classified as a CFC, a U.S. Shareholder may be subject to U.S. income taxation at ordinary income tax rates on all or a portion of our undistributed earnings and profits attributable to "subpart F income" and may also be subject to tax at ordinary income tax rates on any gain realized on a sale of common shares, to the extent of our current and accumulated earnings and profits attributable to such shares. The CFC rules are complex and U.S. Shareholders of our common shares are urged to consult their own tax advisors regarding the possible application of the CFC rules to them in their particular circumstances.

Additional Reporting Requirements May Apply if Americas Silver Loses its Status as a "Foreign Private Issuer" Under the U.S. Exchange Act

Americas Silver is currently considered a "foreign private issuer" under the rules of the SEC. However, following completion of the Pershing Gold Acquisition, it may lose its "foreign private issuer" status at future assessment dates. As a foreign private issuer, Americas Silver is subject to the reporting requirements under the U.S. Exchange Act applicable to foreign private issuers. Americas Silver is required to file its annual report on Form 40-F with the SEC at the time it files its annual information form with the applicable Canadian securities regulatory authorities. In addition, Americas Silver must furnish reports on Form 6-K to the SEC regarding certain information required to be publicly disclosed by Americas Silver in Canada or filed with the TSX and which was made public by the TSX, or regarding information distributed or required to be distributed by Americas Silver to its shareholders. Moreover, although Americas Silver is required to comply with Canadian disclosure requirements, in some circumstances Americas Silver is not required to file periodic reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the U.S. Exchange Act. Americas Silver is required to file financial statements in accordance with IFRS, and therefore does not file financial statements prepared in accordance with generally accepted accounting principles in the United States as do U.S. companies that file reports with the SEC. Furthermore, Americas Silver is not required to comply with the U.S. proxy rules or with Regulation FD, which addresses certain restrictions on the selective disclosure of material information, although it must comply with Canadian disclosure requirements. In addition, among other matters, Americas Silver's officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the U.S. Exchange Act and the rules under the U.S. Exchange Act with respect to their purchases and sales of Americas Silver common shares. Americas Silver also presents information regarding mineral resources and reserves in accordance with NI 43-101 rather than SEC Industry Guide 7 with which U.S. companies must comply. If Americas Silver loses its status as a foreign private issuer, it will no longer be exempt from such rules and, among other things, will be required to file periodic reports and financial statements with the content and in the form permitted as if it were a U.S. company, and incur additional costs to make such filings. Americas Silver does, however, file quarterly financial information under Canadian periodic reporting requirements for public corporations, which is accessible through the Internet at www.sedar.com, and will furnish such quarterly financial information to the SEC under cover of Form 6-K, which is available at www.sec.gov. Insiders of Americas Silver are generally required to disclose their trading in Americas Silver Common Shares within 5 days of the date of the trade and these trading activity reports can be accessed through the Internet at www.sedi.ca.

Americas Silver is an "Emerging Growth Company" and Americas Silver Cannot be Certain if the Reduced Disclosure Requirements Applicable to Emerging Growth Companies Will Make Americas Silver Common Shares Less Attractive to Investors

Americas Silver is an "emerging growth company" as defined in the JOBS Act. Americas Silver will continue to qualify as an "emerging growth company" until the earliest to occur of: (a) the last day of the fiscal year during which Americas Silver has total annual gross revenues of US$1.07 billion or more; (b) the last day of the fiscal year of Americas Silver following the fifth anniversary of the date of the first sale of common equity securities of Americas Silver pursuant to an effective registration statement under the U.S. Securities Act; (c) the date on which Americas Silver has, during the previous 3-year period, issued more than US$1,000,000,000 in non-convertible debt; or (d) the date on which Americas Silver is deemed to be a 'large accelerated filer' under U.S. securities laws.

For so long as Americas Silver continues to qualify as an emerging growth company, it will be exempt from the requirement to include an auditor attestation report relating to internal control over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act in its annual reports filed under the U.S. Exchange Act, even if it does not qualify as a "smaller reporting company". In addition, section 103(a)(3) of the Sarbanes-Oxley Act has been amended by the JOBS Act to provide that, among other things, auditors of an emerging growth company are exempt from any rules of the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor's report in which the auditor would be required to provide additional information about the audit and the financial statements of the registrant (auditor discussion and analysis).

Any U.S. domestic issuer that is an emerging growth company is able to avail itself of the reduced disclosure obligations regarding executive compensation in periodic reports and proxy statements, and to not present to its stockholders a nonbinding advisory vote on executive compensation, obtain approval of any golden parachute payments not previously approved, or present the relationship between executive compensation actually paid and such issuer's financial performance. As a foreign private issuer, Americas Silver is not subject to such requirements, and will not become subject to such requirements even if Americas Silver ceases to be an emerging growth company, unless Americas Silver also ceases to be a "foreign private issuer".

The Company's Information Technology Systems May Be Vulnerable to Disruption Which Could Place its Systems at Risk from Data Loss, Operational Failure, or Compromise of Confidential Information

The Company relies on various information technology systems, and on third party developers and contractors, in connection with operations, including production, equipment operation and financial support systems. While the Company regularly obtains and develops solutions to monitor the security of its systems, it remains vulnerable to disruption, damage or failure from a variety of sources, including errors by employees or contractors, computer viruses, cyber-attacks including phishing, ransomware, and similar malware, misappropriation of data by outside parties, and various other threats. Techniques used to obtain unauthorized access or sabotage systems are under continuous and rapid evolution, which may deter efforts to detect disruption of data and systems in advance. Breaches and unauthorized access carry the potential to cause losses of production, operational delays, equipment failure that could cause other risks to be realized, inaccurate recordkeeping, or disclosure of confidential information, any of which could result in financial losses and regulatory or legal exposure, and could have a material adverse effect on the Company's cash flows, financial condition or results of operations.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities, other payables, derivative assets and liabilities, and other financial instruments may be held from time to time. These financial instruments are exposed to numerous risks, including, among others, liquidity risk, currency risk, interest rate risk, counterparty risk and credit risk. Many of these risks are outside the Company's control. There is no assurance that the Company will realize the carrying value of any of its financial instruments.

Accessibility and Reliability of Existing Local Infrastructure

The Company's mining, processing, development and exploration activities depend, to some degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important considerations, which affect capital and operating costs. 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 exploitation or development of the Company's projects. If adequate infrastructure is not available in a timely manner, the exploitation or development of the Company's projects may not be commenced or completed on a timely basis, if at all. In addition, the resulting operations may not achieve the anticipated production volume, or the construction costs and ongoing operating costs associated with the exploitation and/or development of the Company's advanced projects will be higher than anticipated. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

Risks and Uncertainties Related to the Repatriation of Funds From Foreign Subsidiaries

The Company expects to generate cash flow and profits at its foreign subsidiaries, and may need to repatriate funds from those subsidiaries to fulfill its business plans, in particular in relation to ongoing expenditures at its exploration and development assets. The Company may not be able to repatriate funds, or may incur tax payments or other costs when doing so, as a result of a change in applicable law or tax requirements at local subsidiary levels or at the parent level, which costs could be substantial.

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DIVIDENDS

The Company has not, since its incorporation, paid any dividends on any of its Common Shares and it is not contemplated that any dividends will be declared on the Common Shares in the immediate or foreseeable future. The directors of the Company will determine any future dividend policy on the basis of earnings, the Company's financial position and other relevant factors.

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GENERAL DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares (" Common Shares"). As of March 29, 2019, 45,391,989 Common Shares were issued and outstanding. 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. Assuming completion of the Pershing Gold Acquisition, an additional 24,086,148 Common Shares will be issued in exchange for common shares of Pershing Gold, which would result in a total of 69,478,137 Common Shares issued and outstanding following closing of the Pershing Gold Acquisition.

Holders of Common Shares are entitled to receive dividends, if any, as and when declared by the Board out of monies properly applicable to the payment of dividends, in such amount and in such form as the Board may from time to time determine, and all dividends which the Board may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding. In the event of the dissolution, liquidation or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holder of the Common Shares shall be entitled to receive the remaining property and assets of the Company.

The Company also has options to purchase 3,159,993 Common Shares outstanding as of March 29, 2019 and the Company's warrants outstanding which are exercisable for Common Shares (the "Warrants"). See "**Note 13 – Share capital**" to the 2018 Annual Financial Statements for additional information regarding the Company's convertible securities.

The following table summarizes the Company's Warrants outstanding as of March 29, 2019.

Number of Warrants	Exercise Price (C$)	Issuance Date	Expiry Date
1,074,999	3.12	Oct 2018	Oct 1, 2023
799,065	4.68	Jul 2016	Jun 14, 2021
1,447,426	4.68	Jun 2016	Jun 9, 2021
Total: 3,321,490			

Constraints

To the best of its knowledge, the Company is not aware of any constraints imposed on the ownership of its securities to ensure that the Company has a required level of Canadian ownership.

Ratings

To the best of its knowledge, the Company is not aware of any ratings, including provisional ratings, from rating organizations for the Company's securities that are outstanding and continue in effect.

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MARKET FOR SECURITIES

The Common Shares are traded on the TSX under the symbol "USA". The closing price of the Common Shares on the TSX on December 31, 2018 was C$2.23 and on March 28, 2019 was C$2.15. The Common Shares are traded on the NYSE American under the symbol "USAS". The closing price of the Common Shares on the NYSE American on December 31, 2018 was US$1.65 and on March 28, 2019 was US$1.59.

The following table sets forth the high and low market prices and the volume of the Common Shares traded on the TSX during the periods indicated:

Period	High (C$)	Low (C$)	Total Volume
January 2018	5.74	4.70	1,041,594
February 2018	5.17	4.17	618,598
March 2018	4.72	4.16	717,880
April 2018	5.37	4.19	850,118
May 2018	5.03	4.43	699,817
June 2018	4.63	3.91	680,717
July 2018	4.21	3.38	600,697
August 2018	3.39	2.80	774,614
September 2018	3.33	2.72	647,191
October 2018	3.44	2.62	1,288,411
November 2018	2.83	1.75	1,168,325
December 2018	2.39	1.66	1,314,423
January 2019	2.59	2.00	2,411,264
February 2019	2.68	2.12	1,527,954
March 1-28, 2019	2.55	2.04	1,827,780

The following table sets forth the high and low market prices and the volume of the Common Shares traded on the NYSE American during the periods indicated:

Period	High (US$)	Low (US$)	Total Volume
January 2018	4.65	3.74	133,531
February 2018	4.13	3.37	74,973
March 2018	3.70	3.20	201,255
April 2018	4.30	3.28	119,454
May 2018	3.99	3.45	189,939
June 2018	3.58	2.95	113,020
July 2018	3.31	2.60	125,539
August 2018	2.70	2.08	171,581
September 2018	2.60	2.05	165,447
October 2018	2.61	2.00	278,460
November 2018	2.16	1.31	205,342
December 2018	1.75	1.235	337,143
January 2019	1.94	1.50	391,029
February 2019	2.00	1.65	311,015
March 1-28, 2019	1.93	1.53	2,248,364

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DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The table below sets forth the name, province or state and country of residence, position with the Company, principal occupation during the previous five years and the number of voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised, for the directors and executive officers of the Company.

As of December 31, 2018, directors and executive officers of the Company, as a group, beneficially owned, directly or indirectly, or exercised control or direction over an aggregate of 313,663 Common Shares representing approximately 0.76% of its issued and outstanding Common Shares.

The terms of the directors of the Company expires at the annual general meeting of shareholders where they can be nominated for re-election. The officers hold their office at the discretion of the Board, but typically on an annual basis, after the annual general meeting, the directors pass resolutions to appoint officers and constitute committees.

Name and Residence and Position with the Company	Principal Occupation For Five Preceding Years	Number and Percentage of Company Shares Owned
DIRECTORS		
Darren Blasutti Ontario, Canada *Director and Chief Executive Officer* Director since: December 23, 2014 (U.S. Silver & Gold since June 6, 2012 and RX Gold since July 6, 2011)	Mr. Blasutti is currently the President and Chief Executive Officer of Americas Silver. He was formerly the President and Chief Executive Officer of U.S. Silver, and prior to that, the President and Chief Executive Officer of RX Gold & Silver Inc., and former Senior Vice President of Corporate Development for Barrick Gold Corporation until January 2011. At Barrick Gold Corporation, he reported to the Chief Executive Officer and played a lead role in the strategic development of Barrick Gold Corporation for over 13 years, during which time he executed over 25 gold mining transactions including the acquisition of Homestake Mining Company and Placer Dome Inc. and the consolidation of the world class Cortez property from Rio Tinto. Mr. Blasutti also led the creation of Barrick Energy Inc. to hedge Barrick Gold Corporation's exposure to energy prices and was integral to the initial public offering of African Barrick Gold. During his tenure at Barrick, he also led the Investor Relations function. Mr. Blasutti is a member of the Chartered Professional Accountants Canada and was previously at PricewaterhouseCoopers LLP where he planned, supervised and managed audits for a variety of clients. Mr. Blasutti is currently a director of Chantrell Ventures Corp.	75,714 (0.18%)

Alexander Davidson Ontario, Canada *Chairman* Director since: December 23, 2014 (U.S. Silver & Gold since August 13, 2012 and RX Gold since July 6, 2011)	Mr. Davidson was Barrick's Executive Vice President, Exploration and Corporate Development with responsibility for international exploration programs and corporate development activities. Mr. Davidson was instrumental in Barrick Gold Corporation's acquisition of Lac Minerals, Sutton Resources, Arequipa Resources, Pangea Goldfields, Homestake Mining and Placer Dome Inc. Mr. Davidson joined Barrick Gold Corporation in October 1993 as Vice President, Exploration with responsibility for the company's expanding exploration program. He initiated Barrick Gold Corporation's expansion out of North America and into Latin America and beyond and retired from Barrick in 2009. Prior to joining Barrick, Mr. Davidson was Vice President, Exploration for Metall Mining Corporation. Mr. Davidson has over 40 years of experience in designing, implementing and managing gold and base metal exploration and acquisition programs throughout the world. In April 2005, Mr. Davidson was presented the 2005 A.O. Dufresne Award by the Canadian Institute of Mining, Metallurgy and Petroleum to recognize exceptional achievement and distinguished contributions to mining exploration in Canada. In 2003, Mr. Davidson was named the Prospector of the Year by the Prospectors and Developers Association of Canada in recognition for his team's discovery of the Lagunas Norte project in the Alto Chicama District, Peru. Mr. Davidson received his B.Sc. and his M.Sc. in Economic Geology from McGill University. His extensive experience in the mining industry and his background in precious metal exploration and corporate development allows him to provide valuable industry insight and perspective to the board of directors and management. Mr. Davidson also has extensive board level experience and has sat on or has chaired a number of health, safety & environment, technical, sustainability, audit, and compensation committees.	27,706 (.07%)
Alan Edwards Arizona, United States *Director* Director since: December 23, 2015 (U.S. Silver & Gold since August 13, 2012 and U.S. Silver Corp since June 23, 2011)	Mr. Edwards serves on the board of directors and is President of AE Resources Corp. He also serves on the board of directors for Entrée Resources Ltd., Mason Resources Corp., Detour Gold Corp., and Orvana Minerals Corp. Mr. Edwards is also currently a non-executive Chairman of Rise Gold Corp. and a principal of Gladiator Mining Corp. From May 2010 to July 2013 he was a director of AuRico Gold Inc. and from July 2013 to July 2015 he was Chairman of the board of directors; From October 2011 to January 2017, he was Chairman of the board of directors of AQM Copper Inc.; From August 2013 to February 2015 he was Chairman of the board of directors of Oracle Mining Corp., from September 2012 to July 2013, he was Chief Executive Officer of Oracle Mining Corp.; From 2009 to May 2011, he was President and Chief Executive Officer of Copper One Inc.; From 2007 to 2009, he was President and Chief Executive Officer of Frontera Copper Corporation. Mr. Edwards also served as COO of Apex Silver Mines Corp. and has also worked for Kinross Gold Corp., P.T. Freeport Indonesia, Cyprus Amax Minerals Company and Phelps Dodge Mining Company. Mr. Edwards holds an MBA (Finance) from the University of Arizona and a B.S. Mining Engineering also from the University of Arizona.	20,597 (0.05%)

Peter Hawley Quebec, Canada *Director* Director since: May 12, 1998	Mr. Hawley is the founder of Americas Silver and is currently the Chairman of Scorpio Gold Corporation. He is also the Executive Chairman of Defiance Silver Corp. Formerly he was President and Chief Executive Officer of Americas Silver from July 20, 2012 to April 21, 2013 and prior to December 2010. Mr. Hawley has over 35 years' experience in the exploration and mining industry and has worked as a consulting geologist to a large number of intermediate and senior mining companies including Teck Corp, Noranda Inc., Placer Dome Inc. and Barrick Gold Corporation.	153,619 (0.37%)
Bradley R. Kipp Ontario, Canada *Director* Director since: June 12, 2014	Mr. Kipp is currently the Executive Vice President of Investments and Director of Blackshire Capital Corp. since February 2017; Director and Audit Committee Chairman of Haventree Bank since June 2008 (federally regulated Schedule 1 Bank); Director and Audit Committee Chairman of Americas Silver Corporation since June 2014; Executive in Residence at the Richard Ivey School of Business since September 2013 — University of Western Ontario. Mr. Kipp has over 25 years' experience specializing in operations, corporate finance and public company reporting in the financial services and mining sector. As part of these activities he has been Chief Financial Officer and/or a Director of several public companies listed on the Toronto and London AIM exchanges. Mr. Kipp is a member of the Chartered Professional Accountants of Canada and a member of the Chartered Financial Analyst Institute.	Nil
Gordon E. Pridham Ontario, Canada *Director* Director since: December 23, 2014 (U.S. Silver & Gold since August 13, 2012 and U.S. Silver Corp. since November 10, 2008)	Mr. Pridham is currently Principal of Edgewater Capital and sits on the public company boards of Orvana Minerals Inc. (Chairman of the board of directors) and Tervita Corp. (Director). Formerly, he served as Chairman of the board of directors of U.S. Silver, CHC Student Housing Inc. and Newalta Corp. He is on the advisory board for Enertech Capital a Clean Tech Venture Fund. Recent activities include merger of Newalta Corporation with Tervita Corporation as Chairman, merger of US Silver with RX Gold as Chairman, sale of Norock Realty to Partners REIT as Chairman of the Special Committee, and sale of Western Prospector to CNNC as Chairman of the Special Committee. Mr. Pridham has over 35 years of experience financing and advising public and private companies in a cross section of industries, particularly in the resource sector. He has worked in New York, Calgary, Toronto and Hong Kong for global financial institutions in Corporate Banking, Investment Banking and Capital Markets. Mr. Pridham is a graduate of the University of Toronto and the Institute of Corporate Directors program.	30,102 (0.07%)

Manuel Rivera, Mexico, Mexico *Director* Director since: August 2, 2017	Mr. Rivera is the President and Founder of LATAMFUV, an investment firm focused on enabling, technology transfer from the Israel innovation ecosystem into Latin America. With vast experience in media, digital, corporate transformation and mergers and acquisitions, Mr. Rivera spent more than a decade as the President and Chief Executive Officer of Grupo Expansión, one of Mexico's most influential media companies that under his leadership was taken from a minor magazine player to one of the largest digital publishers in Mexico and Latin America, successfully sold to a major strategic player in 2017. Mr. Rivera is also the current Co-chair of the Global Future Council for Media and Information of the World Economic Forum and also Chairman of the board of directors for Make-A-Wish Mexico.	Nil
Lorie Waisberg Ontario, Canada *Director* Director since: December 23, 2014 (U.S. Silver & Gold since August 13, 2012 and RX Gold & Silver since July 6, 2011)	Mr. Waisberg is a corporate director currently serving as Chairman of the Board of Trustees and a director of Chemtrade Logistics Income Fund and a director of Chantrell Ventures Corp. and Metalex Ventures Ltd. Prior to retirement, Mr. Waisberg served as Executive Vice President, Finance and Administration of Co-Steel Inc., a steel manufacturer. Prior thereto, Mr. Waisberg practiced law with a major Canadian law firm. Mr. Waisberg is accredited as ICD.D by the Institute of Corporate Directors.	618 (0%)
OFFICERS		
Darren Blasutti Ontario, Canada *President and Chief Executive Officer*	See information for Mr. Blasutti set forth above in the Directors section of this table.	See above

Warren Varga Ontario, Canada *Chief Financial Officer*	Mr. Varga was formerly the CFO of US Silver & Gold and brings over 20 years of progressive financial leadership and senior management expertise to Americas Silver. Prior to this, Mr. Varga held the role of Senior Director, Corporate Development at Barrick Gold Corporation. Mr. Varga is a member of the Canadian Institute of Chartered Accountants and a member of the Chartered Financial Analyst Institute.	1,526 (0%)
Peter J. McRae Ontario, Canada *Senior Vice President, Corporate Affairs & Chief Legal Officer*	Mr. McRae formerly served as Vice President, General Counsel & Corporate Secretary of U.S. Silver and Gold and brings over 15 years of robust corporate and commercial experience to Americas Silver. He was an attorney at Weil, Gotshal & Manges LLP, based in New York, in the firm's transactions group representing some of the largest organizations and private equity firms in the world. He also serves on the board of directors of Barksdale Capital Corp. He is currently a member of the New York and Ontario Bars and is a certificate holder in Mining Law.	381 (0%)
Daren Dell Ontario, Canada *Chief Operating Officer*	Mr. Dell formerly served as Vice President, Technical Services for U.S. Silver and Gold and brings over 20 years of operations, project and mine evaluation experience to Americas Silver. Prior to this, Mr. Dell served as Director, Corporate Development and Director, Technical Evaluations at Barrick Gold. Mr. Dell is a metallurgist and a Professional Engineer.	8,400 (0%)
Shawn Wilson Ontario, Canada *Vice President, Technical Services*	Mr. Wilson has been working in the mining industry for over 15 years and brings operational, project and mine evaluation experience to Americas Silver. Prior to this, Mr. Wilson served as Director of Engineering at Orvana Minerals Corp, operated an independent consultancy and served as Senior Mining Engineer at Barrick Gold. Mr. Wilson is a mining engineer and a Professional Engineer.	Nil

Following completion of the Pershing Gold Acquisition, Mr. Stephen Alfers is expected to be appointed to the Board.

Standing Committees of the Board

There are currently three standing committees of the Board: the Audit Committee, the Compensation and Corporate Governance Committee and the Sustainability & Technical Committee. The following table identifies the members of each of these Committees:

Board Committee	Committee Members
Audit Committee	Bradley Kipp (Chair) Lorie Waisberg Gordon Pridham
Compensation and Corporate Governance Committee	Lorie Waisberg (Chair) Alex Davidson Gordon Pridham
Sustainability & Technical Committee	Alan Edwards (Chair) Alex Davidson Peter Hawley

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CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Except as stated below, no director or executive officer of the Company is, as at the date hereof, or has been, within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to an order that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer, or

(ii) was subject to an order 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.

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:

(i) is, as at the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any 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; or

(ii) has, within 10 years before 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 or executive officer.

Alan Edwards, a director of the Company, was Chairman of the Board of Oracle Mining Corp. (" Oracle") until his resignation effective February 15, 2015. On December 23, 2015, Oracle announced that the Superior Court of Arizona had granted the application of Oracle's lender to appoint a receiver and manager over the assets, undertaking and property of Oracle Ridge Mining LLC.

Gordon Pridham was the chairman on the board of directors of CHC Student Housing Inc. (" CHC") when CHC was subject to a management cease trade order that was in effect for more than 30 consecutive days. On May 5, 2017, the Ontario Securities Commission (the "OSC") issued a management cease trade order against the securities of CHC until CHC prepared and filed its annual audited financial statements, management's discussion and analysis and related certifications for the period ended December 31, 2016. On July 4, 2017, the OSC revoked the management cease trade order after CHC filed all required records.

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.

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CONFLICT OF INTEREST

To the best of the Company's knowledge, there are no existing or potential conflicts of interest among the Company, its directors, officers or other insiders of the Company other than as described in the following paragraph.

Various officers, directors or other insiders of the Company may hold senior positions with entities involved in the mining industry or otherwise be involved in transactions within the mining industry and may develop or already have other interests outside the Company. In the event that any such conflict of interest arises, a director who is in such a conflict will be required to disclose the conflict to a meeting of the directors of the Company in accordance with the CBCA.

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LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Due to the size, complexity and nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated.

In November 2010, the Company received a reassessment from the Mexican tax authorities related to its Mexican subsidiary, Minera Cosalá, for the year ended December 31, 2007. The tax authorities disallowed the deduction of transactions with certain suppliers for an amount of approximately $10.0 million (MXP 196.8 million), of which $4.3 million (MXP 84.4 million) would be applied against available tax losses. The Company appealed this reassessment and the Mexican tax authorities subsequently reversed $4.8 million (MXP 94.6 million) of their original reassessment. The remaining $5.2 million (MXP 102.2 million) consists of $4.3 million (MXP 84.4 million) related to transactions with certain suppliers and $0.9 million (MXP 17.8 million) of value added taxes thereon. The Company appealed the remaining reassessment with the Mexican Tax Court in December 2011. The Company may be required to post a bond of approximately $0.9 million (MXP 17.8 million) to secure the value added tax portion of the reassessment. The deductions of $4.3 million (MXP 84.4 million), if denied, would be offset by available tax losses. The Company filed an amparo lawsuit against the resolution, which was admitted by the Eighth Federal District Court in the State of Sinaloa on May 7, 2015, with a constitutional hearing date set for July 24, 2015. On October 26, 2015, the court dismissed the appeal, which the Company contested. The First Collegiate Courts on Administrative Matters of the Twelfth District was assigned the appeal for review on May 16, 2016, but on August 10, 2016, the National Supreme Court of Justice ordered a deferment of all proceedings related to certain matters, including the Issuer's appeal. The deferment was lifted in October 2018, and the Company's appeal was returned to a magistrate of the First Collegiate Courts on Administrative Matters of the Twelfth District for review on January 21, 2019. The Company accrued $1.0 million (MXP 19.9 million) in the consolidated financial statements as at December 31, 2018 as a probable obligation for the disallowance of value added taxes related to the Mexican tax reassessment. The Company continues to await a final resolution given the ongoing review of the matter.

***

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or shareholder holding more than 10% of any outstanding securities of the Company or any associate or affiliate of any such person or company, has or had in the three most recently completed financial years of the Company any material interest, direct or indirect, in any transaction that has materially affected or will materially affect the Company or any of its subsidiaries.

***

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Company is Computershare Investor Services Inc., (" Computershare"). Computershare's principal location for the Common Shares is located at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1.

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MATERIAL CONTRACTS

Aside from contracts entered into in the ordinary course of business and not required to be filed under section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"), the following are the only contracts regarded as material which were entered into by the Company within the most recently completed fiscal year or before the most recently completed fiscal year that are still in effect:

- The Collective Bargaining Agreement ratified by union membership at the Galena Complex ratified a collective bargaining agreement between a subsidiary of the Company and the United Steel Workers Union. The agreement was effective August 29, 2018, will run until August 28, 2022 and covers substantially all of the operation's hourly employees as described under "***General Development of the Business – Operations – Three Year History***"; and

- The Pre-Payment Facility with Metagri S.A. de C.V., a subsidiary of Glencore PLC, that is in effect from January 2017 as described under "**General Development of the Business –** ***Financing Arrangements – Last 3 Years***"; and

- The Merger Agreement, as amended, as described under "**General Development of the Business –** ***Pershing Gold Acquisition***".

***

INTEREST OF EXPERTS

The following persons, firms and companies named below have prepared or certified a statement or report described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or relating to, the Company's most recently completed financial year and whose profession, or business gives rise to the report or statement or opinion made by the person or company:

The San Rafael Technical Report was prepared by Thomas L. Dyer, P.E., Edwin R. Peralta, P.E., Paul Tietz, C.P.G., and Randy Powell, Q.P.M., for Mine Development Associates, all of whom are Qualified Persons for the purposes of NI 43-101.

The Galena Technical Report was prepared by Mr. James R. Atkinson, P. Geo., Mr. Daniel H. Hussey, C.P.G. and Mr. Daren Dell, P. Eng., all of whom are Qualified Persons for the purposes of NI 43-101.

Mr. Daren Dell, P.Eng., Chief Operating Officer, Mr. Shawn Wilson, P.Eng., Vice President, Technical Services and Mr. James Stonehouse, SME-RG, Vice President, Exploration Mexico, are all Qualified Persons for the purposes of NI 43-101 and have reviewed and approved certain technical disclosure in this AIF.

The company's auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared a report of independent registered public accounting firm dated March 4, 2019 in respect of the Company's consolidated financial statements as at December 31, 2018 and 2017 for the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Chartered Professional Accountants of Ontario CPA Code of Professional Conduct and in accordance with the independence rules of the SEC and the Public Company Accounting Oversight Board.

To management's knowledge, none of the Qualified Persons held any securities of the Company or of any associate or affiliate of the Company when they prepared the reports referred to above or following the preparation of such reports and none of the Qualified Persons listed above received 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. None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, 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.

***

AUDIT COMMITTEE INFORMATION

The Audit Committee will be responsible for monitoring the Company's accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, the quality and integrity of financial statements and for directing the auditors' examination of specific areas.

Audit Committee Charter

A copy of the Company's Audit Committee Charter, which was ratified on December 15, 2016, is attached to this document as Appendix B.

Composition of the Audit Committee

The members of the Audit Committee are Brad Kipp (Chair), Lorie Waisberg and Gordon Pridham, all of whom are "independent" directors as defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Each member of the Audit Committee is considered to be "financially literate" within the meaning of NI 52-110, which includes 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 Combined Company's financial statements. Additionally, as specified in the Company's Audit Committee Charter, the nature and role of each member has been set out in accordance with the meanings of the terms "independent" and "financially literate," as defined in Section 803 of the NYSE American Company Guide and Rule 10A-3 of the United States *Securities Exchange Act of 1934*, as amended.

Relevant Education and Experience

The relevant education and experience of each of the proposed members of the Audit Committee is as follows:

Member	Relevant Education and Experience
Bradley R. Kipp (Chair)	* Over 20 years' experience in the mining sector specializing in operations, corporate finance and public reporting * Has been Chief Financial Officer and/or director of several public companies listed on both the TSX/TSXV and London AIM stock exchange3
Lorie Waisberg	* Corporate director who has served on the audit committees of several public companies * Former Executive Vice President, Finance and Administration of Co-Steel Inc.
Gordon Pridham	* More than 25 years' experience in investment banking, capital markets and corporate finance * Has worked in New York, Calgary, Toronto and Hong Kong for global financial institutions and has financed and advised companies in the public andprivate markets

Pre-Approval Policies and Procedures

The Audit Committee will pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

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3 Executive Vice-President and director of AR3 Capital Partners Inc. (currently known as JSF Group Inc.) from August 2015 to December 2017; Chief Financial Officer and director of African Copper PLC (mining and exploration) from September 2004 to July 2015; Vice-President Finance of Summit Resource Management Limited (venture capital) since July 2001; director of Equity Financial Holdings Inc. from June 2008 to December 2017; CFO and Director of Blackshire Capital Corp. from February 2017 to December 2018, and Vice President and Director of Blackshire Capital Group from December 2018.

External Auditor's Service Fees

The fees billed by the Company's external auditor in the last two fiscal years for audit fees are as follows:

Financial Year	Audit Fees (C$)	Audit Related Fees (C$)	Tax Fees (C$)	All Other Fees (C$)
2017	240,000	Nil	33,900	Nil
2018	330,000	Nil	9,500	Nil

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APPENDIX A
DEFINITIONS, TECHNICAL TERMS, ABBREVIATIONS AND CONVERSION

Technical Abbreviations

Ag	silver
Au	gold
Cu	copper
g	gram
NI 43-101	National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*
km	kilometer
ha	hectare
NSR	net smelter return
m	meter
oz	ounce
Pb	lead
Zn	zinc

Conversions

The following table lists Imperial measurements and their equivalent value under the Metric system:

Imperial	Converts to	Metric
1 in	=	2.54 cm
1 ft (12 in)	=	0.3048 m
1 yd (3ft)	=	0.9144 m
1 mile (1760 yd)	=	1.6093 km
1 square in (in2)	=	6.4516 cm2
1 square ft (ft2)	=	0.0929 m2
1 square yd (yd2)	=	0.8361 m2
1 acre (4840 yd2)	=	0.4047 ha
1 square mile (640 acres)	=	2.59 km2
short ton	=	0.907 metric tonnes

Definitions

The following is a glossary of certain technical terms and abbreviations that appear in this AIF:

AIF means this Annual Information Form.

Acquisition Circular means the Management Proxy Circular of Americas Silver dated December 4, 2018.

Americas Silver means Americas Silver Corporation and its affiliates.

AMT means alternative minimum tax, as defined under U.S. tax law.

ASARCO means Asarco Mexicana.

Assay means an analysis to determine the quantity of one or more elemental components.

Board means the board of directors of Americas Silver.

Caladay means the Caladay property which began in the mid-1960s as a joint venture involving Callahan Mining, ASARCO, and Day Mines.

CERCLA means the *Comprehensive Environmental Response, Compensation and Liability Act*.

CFIUS means the Committee on Foreign Investment in the United States.

CIM means the Canadian Institute of Mining Metallurgy and Petroleum.

Code means the U.S. Internal Revenue Code of 1986, as refined.

Coeur mill means the mill located northwest of the Galena mill on the Galena Complex.

Coeur mine means the mine located northwest of the Galena mine on the Galena Complex.

Common Shares means the common shares in the capital of the Company.

Company means Americas Silver Corporation and its affiliates.

Computershare means Computershare Investor Services Inc.

Concentrate means a product in which valuable minerals have been enriched (concentrated) through mineral processing.

Cosalá Operations means the 100% Americas Silver owned property in the Sinaloa, Mexico.

CWA means the *Clean Water Act*.

Debentures means the C$5.5 million aggregate principal number of convertible debentures due June 2019, issued in connection with the Pershing Gold Acquisition.

Debentureholders means the holders to whom the Debentures are issued to.

Dilution means the effect of grade reduction that occurs when material adjacent to a defined Mineral Resource and of significantly lower grade than the defined Mineral Resource is mined and sent to the mill along with material comprising the defined Mineral Resource.

Dip means the degree of inclination of a tilted bed or other 2-dimensional plane, taken perpendicular to its strike. Also refers to the angle of inclination of a drill hole.

Discount means an arbitrary rate selected to apply to a stream of costs and benefits for the calculation of Net Present Value. The discount rate allows for the time value of money to be factored into the calculation of net present value. Discount rates can also be used to make an assessment of projects of different risk levels by assigning a higher discount rate to projects of higher risk.

Disseminated means a mineral deposit, whereby the minerals (metals) occur as scattered particles in the rock, but in sufficient quantity to make the deposit a worthwhile ore.

EPA means the Environmental Protection Agency.

Exchange Ratio means that, under the terms of the Merger Agreement, holders of common shares of Pershing Gold will receive 0.715 of a common share of Americas Silver for each common share of Pershing Gold by way of a share exchange.

Fault means a fracture in a rock across which there has been displacement.

Feasibility study means a comprehensive study of a mineral deposit during which all of the geological, engineering, operating, environmental and economic factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the project for mineral production. The feasibility study considers defined Mineral Resources, mining methods, potential production profile, and economic assumptions including metals prices and recoveries. The feasibility study also considers the environmental, permitting, and sociological issues associated with the development of the mine. The study is usually completed by an independent engineering firm and has cost estimates defined to +/-15% or better.

Fracture means a break in a rock, usually along flat surfaces.

g/t means grams per tonne.

Galena Complex means the 100% Americas Silver owned property in the Coeur d'Alene Mining District of northern Idaho.

Galena means lead sulphide (PbS), a common economic lead mineral.

Galena mill means the mill located southeast of the Coeur mill on the Galena Complex.

Galena mine means the mine located southeast of the Coeur mine on the Galena Complex.

Galena Technical Report means the "Technical Report on the Galena Complex, Shoshone County, Idaho, USA" dated December 23, 2016, and prepared in accordance with NI 43-101 by and under the supervision of James R. Atkinson, P. Geo, Daniel H. Hussey, CPG and Daren Dell, P.Eng.

Glencore means Glencore PLC.

Glencore Pre-Payment Facility means the four year, $15 million concentrate pre-payment facility pre-payment facility entered into by Minera Cosalá and Minera Platte at an interest rate of LIBOR rate plus 5% per annum with Metagri S.A. de C.V., a subsidiary of Glencore PLC.

Grade means the concentration of a valuable metal in a rock sample, given either as weight percent for base metals (e.g., Pb, Zn, Cu) or in g/t or ounces per short ton for precious metals (e.g., Ag, Au, Pt).

Ha means hectare.

Hemlo means Minas de Oro Hemlo, S.A. de C.V.

Hochschild means Minera Hochschild Mexico S.A. de C.V.

Hoist means the machine used for raising and lowering the cage or other conveyance in a mine shaft.

IETU means the Mexican Flat Rate Business Tax.

Intrusive means a rock mass formed below the earth's surface from molten magma which was intruded into a pre-existing rock mass and cooled to a solid.

Lbs means pounds.

LOMP means Life Of Mine Plan.

Merger Agreement means the definitive agreement between Americas Silver and Pershing Gold to complete a merger transaction (i.e. the Pershing Gold Acquisition) to create a low-cost, precious metal growth company in the Americas.

Metallurgical Testing means a technical assessment of the physical and chemical behavior of metallic elements, their inter-metallic compounds, and their mixtures (i.e. alloys).

Mexican Tax Reform means new income Tax Law enacted in late 2013 in Mexico which became effective January 1, 2014.

MIA means environmental impact statement in Mexico.

Mill (or concentrator) means an industrial installation assembled to allow separation and recovery of mineral particles of interest from bulk mineralization and waste material. Typically includes equipment for crushing and grinding, selective particle recovery and production of a concentrate from which the contained metals can be refined to marketable purity.

Minera Cosalá means Minera Cosalá, S.A. de C.V.

Minera Platte means Minera Platte River Gold, S. de R.L. de C.V.

Mineral means a naturally occurring inorganic substance typically with a crystalline structure.

Mineralization means minerals of value occurring in rocks.

Net present value or **NPV** means a future stream of benefits and costs converted into equivalent values today. This is done by assigning monetary values to the benefits and costs discounting future benefits and costs using an appropriate discount rate and subtracting a sum total of discounted costs from the total of discounted benefits.

NI 43-101 means National Instrument 43-101 and is a regulation with the force of law prepared by the Canadian Securities Administrators and governing the standards of disclosure for mineral projects.

NI 51-102 means National Instrument 51-102 and is a regulation with the force of law prepared by the Canadian Securities Administrators and governing the standards of Continuous Disclosure Obligations.

NI 52-110 means National Instrument 52-110 – *Audit Committees*

Noranda means Noranda Exploraciones Mexico, S.A. de C.V.

NSR means Net Smelter Return and means the gross revenue from a resource extraction operation, less a proportionate share of transportation, insurance, and processing costs.

NYSE American means the entity formerly known as New York Stock Exchange MKT

Operating costs (OPEX) means the costs of operating a mine, usually including all onsite costs of mining, milling, environmental compliance, tailings disposal, storing concentrate, and administration. Typically quoted in U.S. dollars/tonne. Major sustaining capital items such as mill expansion, large underground development or high-value items of fixed or mobile mining or milling equipment during the life of a project are excluded.

Opt means ounces per short ton.

Oracle means Oracle Mining Corp.

Ore means a natural occurrence of one or more minerals that may be mined and sold at a profit, or from which some part may be profitably separated. The word ore should only be used to refer to defined Mineral Reserves, preferably related to a mine in the development or production phase or to a historical mineral deposit that was economically exploited.

Outcrop means an exposure of rock at the earth's surface.

Peñoles means Industrias Peñoles, S.A. de C.V.

Pershing Gold means Pershing Gold Corporation.

Pershing Gold Acquisition means the merger transaction between Americas Silver and Pershing Gold to create a low -cost, precious metal growth company in the Americas.

PFIC means a the classification of "passive foreign investment company," as defined under U.S. tax law.

PRG means Platte River Gold Inc.

QEF Election means qualified electing fund election, as defined under U.S. tax law.

RCRA means the *Resource Conservation and Recovery Act* .

Recovery means the percentage of valuable minerals that are recovered during milling and/or other forms of processing and captured into a concentrate.

RX Gold means RX Gold & Silver Inc.

San Felipe property means the development project in Sonora, Mexico.

San Rafael mine or **San Rafael** means the San Rafael silver-zinc-lead mine in Sinaloa, Mexico.

San Rafael Technical Report means the "Technical Report and Preliminary Feasibility Study for the San Rafael property, Sinaloa, Mexico", dated April 29, 2016 and prepared in accordance with NI 43-101 by and under the supervision Thomas L. Dyer, P.E., Edwin R. Peralta, P.E., Paul Tietz, C.P.G. and Randy Powell, Q.P.M. for Mine Development Associates, Inc.

Sand fill means hydraulically placed tailings used to fill underground mined voids.

Santacruz means Santacruz Silver Mining Ltd.

SEC means the U.S. Securities and Exchange Commission.

SEDAR means the System for Electronic Document Analysis and Retrieval.

SEMARNAT means Secretary of Environment and Natural Resources in Mexico.

Series E Preferred Stock means the series E preferred stock of Pershing Gold.

Shaft or "**mine shaft**" means a vertical or inclined excavation in rock or consolidated material for the purpose of providing access to a mineral deposit.

Share Consolidation means share consolidation pursuant to the amendment to the Company's articles resulting in one post-consolidation common share for each 12 pre-consolidation common shares.

Skarn means an alteration assemblage dominated by calcium and magnesium silicate minerals (dominantly garnets, pyroxenes and amphiboles). Skarns form by reaction between silica-bearing fluids and carbonate rocks, converting original carbonate minerals to silicate minerals. Mineralized Skarns contain economically attractive amounts of certain metals and are classified on the basis of the dominant metal (cf. Copper skarn or Lead-Zinc skarn). Skarns typically form in close proximity to intrusive bodies and may have massive sulphide replacement mineralization on their distal sides.

Smelter means an industrial installation where pyrometallurgical processes are used to extract metals from a feedstock, typically a sulphide concentrate.

stpd means short tons per day.

Strike means horizontal level direction or bearing of an inclined rock bed, structure, vein or stratum surface. The direction is perpendicular to the direction of dip.

Tailings means the waste products resulting from the processing of mineralized material.

TCJA means United States law P.L. 115-97, informally titled the *Tax Cuts and Jobs Act*.

Tetrahedrite means a copper antimony sulfosalt mineral ($(Cu,Fe)_{12}Sb_4S_{13}$.

TSX means the Toronto Stock Exchange.

U.S. Exchange Act means the United States Securities Exchange Act of 1934, as amended.

U.S. Securities Act means the United States Securities Act of 1933, as amended.

U.S. Silver means U.S. Silver & Gold Inc.

Vein means a fissure, fault or crack in a rock filled by minerals.

Warrants means the common share purchase warrants of the Company outstanding which are exercisable for Common Shares.

Certain CIM Standards Definitions

*"**Feasibility Study***" A Feasibility Study is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-Feasibility Study.

"***Indicated Mineral Resource***" An Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation.

"***Inferred Mineral Resource***" An Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity.

"***Measured Mineral Resource***" A Measured Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation.

"***Mineral Reserve***" A Mineral Reserve is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

"***Mineral Resource***" A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Material of economic interest refers to diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals.

"***Modifying Factors***" Modifying Factors are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

"***Pre-Feasibility Study***" The CIM Definition Standards requires the completion of a Pre-Feasibility Study as the minimum prerequisite for the conversion of Mineral Resources to Mineral Reserves. A Pre-Feasibility Study is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

"***Probable Mineral Reserve***" A Probable Mineral Reserve is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.

"***Proven Mineral Reserve***" A Proven Mineral Reserve is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.

*"**Qualified Person**"* Mineral Resource and Mineral Reserve estimates and any supporting Technical Reports must be prepared by or under the direction of a Qualified Person, as that term is defined in NI 43-101. The Qualified Person(s) should be clearly satisfied that they could face their peers and demonstrate competence and relevant experience in the commodity, type of deposit and situation under consideration. If doubt exists, the person must either seek or obtain opinions from other colleagues or demonstrate that he or she has obtained assistance from experts in areas where he or she lacked the necessary expertise.

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APPENDIX B
AUDIT COMMITTEE CHARTER

See attached.

AUDIT COMMITTEE CHARTER

AMERICAS SILVER CORPORATION

1. Role of the Audit Committee

(a) The role of the Audit Committee is to assist the Board of Directors (the " Board") in its oversight and evaluation of the following matters in respect of Americas Silver Corporation and its subsidiaries (the "Company"):

(i) The quality and integrity of the financial statements of the Company;

(ii) The compliance by the Company with legal and regulatory requirements in respect of financial disclosure;

(iii) The Company's internal control over financial reporting;

(iv) The qualification, independence and performance of the Company's independent auditor;

(v) The assessment, monitoring and management of the financial risks of the Company's business;

(vi) The performance of the Company's Chief Financial Officer (the "CFO"); and

(vii) Such other matters as assigned to it by the Board from time-to-time.

(b) In addition, the Audit Committee provides an avenue for communication between the independent auditor, the Company's CFO and other senior management, other employees and the Board concerning accounting, auditing and financial risk management matters.

(c) The Audit Committee is directly responsible for the recommendation of the appointment and retention (and termination) and for the compensation and the oversight of the work of the independent auditor for the purpose of preparing audit reports or performing other audit, review or attest services for the Company.

(d) The Audit Committee is not responsible for:

(i) Planning or conducting audits, or

(ii) Certifying or determining the completeness or accuracy of the Company's financial statements or that those financial statements are in accordance with generally accepted accounting principles ("GAAP").

(e) Each member of the Audit Committee shall be entitled to rely in good faith upon:

(i) Financial statements of the Company represented to him or her by senior management of the Company or in a written report of the independent auditor to present fairly the financial position of the Company in accordance with GAAP; and

(ii) Any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

"**Good faith reliance**" means that the Audit Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by senior management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competence and integrity of senior management or the expert unless there is a reason to doubt their honesty, competence and integrity.

The fundamental function of the Audit Committee is oversight. The responsibility for the Company's financial statements and disclosure rests with senior management. It is not the duty of the Audit Committee to conduct investigations or to assure compliance with applicable legal and regulatory requirements. The Company's independent auditor is responsible of the audit and review, as applicable, of the Company's financial statements in accordance with applicable standards, laws and regulations.

In discharging its obligations under this Charter, the Audit Committee shall act in accordance with its fiduciary duties. Nothing contained in this mandate is intended to expand applicable standards of conduct under statutory or regulatory requirements for the directors of the Company or the members of the Audit Committee. This Charter is intended to comply with Section 803 of the NYSE American Company Guide (the "Company Guide") and Rule 10A-3 of the United States Securities Exchange Act of 1934 , as amended (" Rule 10A-3").

2. Membership

(a) Members of the Audit Committee shall be appointed by the Board, on the recommendation of the Compensation and Corporate Governance Committee, and shall be made up of at least three (3) members of the Board.

(b) The appointment of members of the Audit Committee shall take place annually at the first meeting of the Board after a meeting of shareholders at which directors are elected, provided that if the appointment of members of the Audit Committee is not so made, the directors who are then serving as members of the Audit Committee shall continue as members of the Audit Committee until their successors are appointed. The Board may appoint a member to fill a vacancy that occurs in the Audit Committee between annual elections of directors.

(c) Any member of the Audit Committee may be removed from the Audit Committee by a resolution of the Board.

(d) The Board shall appoint a Chair of the Audit Committee who shall be an independent non-executive director. In the absence of the Chair and/or an appointed deputy, the remaining members present shall elect one (1) of the members present to chair the meeting.

(e) Each of the members of the Audit Committee shall (i) meet the standards of Director "independence" and (ii) shall be "financially literate", in accordance with applicable legislation and stock exchange requirements, including Section 803 of the Company Guide and Rule 10A-3.

(f) At least one member of the Audit Committee shall be considered "financial sophisticated" as such term is used in the Company Guide and shall meet the requirements of an "Audit Committee Financial Expert" as defined by the United States Securities and Exchange Commission (the "SEC").

(g) No member of the Audit Committee shall:

(i) Accept (directly or indirectly) any consulting, advisory or other compensatory fee from the Company or any of its subsidiaries (other than remuneration for acting in his or her capacity as a director or Committee member) or be an "affiliated person" of the Company or any of its subsidiaries; or

(ii) Concurrently serve on the audit committee of more than three (3) other public companies without the prior approval of the Audit Committee, the Compensation and Corporate Governance Committee and the Board and their determination that such simultaneous service would not impair the ability of the member to effectively serve on the Audit Committee (which determination shall be disclosed in the Company's annual management information circular).

3. Meetings and Procedure

(a) The General Counsel/Corporate Secretary or such other appropriate designee shall act as the Secretary of the Audit Committee.

(b) The quorum necessary for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.

(c) The powers of the Audit Committee may be exercised at a duly convened meeting at which a quorum of the Audit Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Audit Committee.

(d) Each member (including the Chair) is entitled to one (but only one) vote in Audit Committee proceedings.

(e) The Audit Committee shall meet at least quarterly and more frequently as circumstances require at such times and places as the Chair of the Audit Committee may determine.

(f) The Audit Committee shall meet separately, periodically, with senior management and the independent auditor and may request any member of the Company's senior management or the Company's independent auditor or outside counsel to attend meetings of the Audit Committee or with any members of, or advisors to, the Audit Committee. The Audit Committee will also meet in camera at each of its regularly scheduled meetings.

(g) Meetings of the Audit Committee shall be summoned by the Secretary of the Audit Committee at the request of any of its members.

(h) Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda shall be forwarded to each member of the Audit Committee, the independent auditor and any other person requested or required to attend, no fewer than three (3) working days prior to the meeting, or such period as may be reasonably necessary in the circumstances as determined by the Chair. Supporting materials shall be sent to the members of the Audit Committee and to other attendees as appropriate, at the same time or at such time as is practicable to enable appropriate review.

(i) The Secretary of the Audit Committee or appropriate designee shall minute the proceedings and resolutions of all Audit Committee meetings. Minutes of the Audit Committee meetings shall be circulated to all members of the Audit Committee for their approval in due course.

(j) Except as otherwise provided in this Charter, the Audit Committee may form and delegate authority to individual members and subcommittees of the Audit Committee where the Audit Committee determines it is appropriate to do so.

4. Responsibilities

4.1 **Independent Auditor –** The Audit Committee shall:

(a) Recommend the appointment and the compensation of, and, if appropriate, the termination of the independent auditor, subject to such Board and shareholder approval as is required under applicable legislation and stock exchange requirements.

(b) Obtain confirmation from the independent auditor that it ultimately is accountable, and will report directly, to the Audit Committee.

(c) Pre-approve all audit and non-audit services (including any internal control-related services) provided by the independent auditor (subject to any restrictions on such non-audit services imposed by applicable legislation, regulatory requirements and applicable policies of securities administrators) and adopt policies as it determines appropriate for the pre-approval of such services including procedures for the delegation of authority to provide such approval to one or more members of the Audit Committee.

(d) Review the experience and qualifications of the senior members of the independent auditor's team.

(e) Oversee the work of the independent auditor, including the resolution of any disagreements between senior management and the independent auditor regarding financial reporting.

(f) Review with the independent auditor:

(i) The quality, as well as the acceptability of the accounting principles that have been applied;

(ii) Any problems or difficulties the independent auditor may have encountered during the provision of its audit services, including any restrictions on the scope of activities or access to requested information and any significant disagreements with senior management, any management letter provided by the independent auditor or other material communication (including any schedules of unadjusted differences) to senior management and the Company's response to that letter or communication; and

(iii) Any changes to the Company's significant auditing and accounting principles and practices suggested by the independent auditor or other members of senior management.

(g) Obtain and review an annual report from the independent auditor regarding the independent auditor's internal quality-control procedures outlining:

(i) Any material issues raised by the most recent internal quality-control review, or peer review, of the auditor, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years respecting one or more independent audits carried out by the firm;

(ii) Any steps taken to deal with any such issues; and

(iii) All relationships between the independent auditor and the Company.

(h) Evaluate, annually, the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.

(i) Confirm with the independent auditor that it is in compliance with applicable legal, regulatory and professional standards relating to auditor independence.

(j) Confirm with the independent auditor that it is a participating audit firm of the Canadian Public Accountability Board in compliance with all restrictions or sanctions imposed on it (if any).

(k) Approve all engagements for accounting advice prepared to be provided by an accounting firm other than the independent auditor and review reports from senior management on tax advisory or other services provided by accounting firms other than the independent auditor.

(l) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.

4.2 **Audit Process, Financial Statements and Related Disclosure and Internal Controls –** The Audit Committee shall:

(a) Meet with senior management and/or the independent auditor to review and discuss:

(i) The planning and staffing of the audit by the independent auditor;

(ii) Before public disclosure, the Company's annual audited financial statements and quarterly financial statements, the Company's accompanying disclosure of Management's Discussion and Analysis, earnings and related press releases, the Company's annual report to be filed with the SEC, the Company's annual information form, management information circular, and any prospectus or registration statement and make recommendations to the Board as to their approval and dissemination of those statements and disclosure;

(iii) Financial information and earnings guidance provided to analysts and rating agencies: this review need not be done on a case by case basis but may be done generally (consisting of a discussion of the types of information disclosed and the types of presentations made) and need not take place in advance of the disclosure;

(iv) Any significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the selection or application of accounting principles, any major issues regarding auditing principles and practices, and the adequacy of internal controls that could significantly affect the Company's financial statements;

(v) All critical accounting policies and practices used;

(vi) All alternative treatments of financial information within GAAP that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor;

(vii) The use of "*pro forma*" or "adjusted" non-GAAP information, the effect of new regulatory and accounting pronouncements;

(viii) The effect of any material off-balance sheet structures, transactions, arrangements and obligations (contingent or otherwise) on the Company's financial statements;

(ix) Any disclosures concerning any weaknesses or any deficiencies in the design or operation of internal controls or disclosure controls made to the Audit Committee in connection with certification of forms by the CEO and/or the CFO for filing with applicable securities regulators;

(x) The adequacy of the Company's internal accounting controls and management information systems and its financial, auditing and accounting organizations and personnel (including any fraud involving an individual with a significant role in internal controls or management information systems) and any special steps adopted in light of any material control deficiencies; and

(xi) The adequacy of the Company's procedures for the disclosure of any financial information extracted or derived from the Company's financial statements.

4.3 **Financial Risks –** The Audit Committee shall:

Review with senior management the Company's tolerance for financial risk and senior management's assessment of the significant financial risks facing the Company as well as the guidelines and policies utilized by senior management with respect to financial risk assessment and management, and the procedures to monitor and control such exposures.

4.4 **Compliance –** The Audit Committee shall:

(a) Review with senior management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports, which raise material issues regarding the Company's financial statements or accounting policies.

(b) Review with the Company's CFO and General Counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

(c) Review for fairness to the Company proposed transactions, contracts and other arrangements between the Company and its subsidiaries and any insider, related party or affiliate ("Related Party Transactions"), and make recommendations to the Board whether any such transactions, contracts and other arrangements should be approved or continued.[4] The foregoing shall not include any compensation payable pursuant to any plan, program, contract or arrangement subject to the authority of the Company's Compensation and Corporate Governance Committee. To avoid any confusion, the Audit Committee responsibilities identified in this subsection are the sole responsibility of the Audit Committee and may not be allocated by the Board to a different committee without revisions to this Charter.

(d) Establish procedures for:

(i) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters; and

[4] As used herein the term "related party" means any officer or director of the Company or any subsidiary, or any shareholder holding a greater than 10% direct or indirect financial or voting interest in the Company, and the term "affiliate" means any person, whether acting alone or in concert with others, that has the power to exercise a controlling influence over the Company and its subsidiaries.

(ii) the confidential, anonymous submission by employees of the Company with concerns regarding any accounting or auditing matters.

5. Reporting

(a) The Audit Committee shall report to the Board on a regular basis. The reports of the Audit Committee shall include any issues of which the Audit Committee is aware with respect to the quality or integrity of the Company's financial statements, its compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditor and changes in financial risks.

(b) The Audit Committee also shall prepare, as required by applicable law, any audit committee report required for inclusion in the Company's publicly filed documents.

6. Access to Management and Independent Advisors

In accordance with the *Board Mandate*, the Audit Committee shall have the power to retain (at the Company's expense) and receive advice from special financial, legal, accounting or other independent advisors as the Audit Committee determines to be necessary to permit it to carry out its duties. The Audit Committee may also seek any information it requires directly from employees. Any meetings or contacts that an Audit Committee member wishes to initiate should normally be arranged through the CEO, the CFO or the General Counsel. The Audit Committee members will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company. The directors are normally expected to provide a copy or otherwise inform senior management as applicable of communications with employees of the Company.

7. Annual Evaluation

Annually the Audit Committee shall, in a manner it determines to be appropriate:

(a) Conduct a review and evaluation of the performance of the Audit Committee and its members, including the compliance of the Audit Committee with this Charter.

(b) Review and assess the adequacy of this Charter and any position description for its committee Chair and recommend to the Board any improvements to this Charter or the position description that the Audit Committee determines to be appropriate, except for minor technical amendments to this Charter, authority for which is delegated to the General Counsel/Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.

***

Ratified by the Board of Directors on December 15, 2016

EXHIBIT 99.2

AMERICAS SILVER CORPORATION

Consolidated Financial Statements

For the years ended December 31, 2018 and 2017
(In thousands of U.S. dollars, unless otherwise stated)

Americas Silver Corporation

(In thousands of U.S. dollars, unless otherwise stated)

December 31, 2018 and 2017

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements have been prepared by management and are in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board as outlined in Part I of the Chartered Professional Accountants Canada Handbook. Other information contained in this document has also been prepared by management and is consistent with the data contained in the consolidated financial statements. A system of internal control has been developed and is maintained by management to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable.

The Board of Directors approves the financial statements and ensures that management discharges its financial reporting responsibilities. The Board's review is accomplished principally through the audit committee, which is composed of non-executive directors. The audit committee meets periodically with management and the auditors to review financial reporting and control matters.

The consolidated financial statements have been audited by PricewaterhouseCoopers LLP and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

(Signed) Darren Blasutti
President & Chief Executive Officer

(Signed) Warren Varga
Chief Financial Officer

Toronto, Ontario, Canada
March 4, 2019



Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of Americas Silver Corporation

Opinion on the Financial Statements
We have audited the accompanying consolidated statements of financial position of Americas Silver Corporation and its subsidiaries (together, the Company) as of December 31, 2018 and 2017, and the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and their financial performance and their cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

Basis for Opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

(Signed) "PricewaterhouseCoopers LLP"

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
March 4, 2019

We have served as the Company's auditor since 2015.

Americas Silver Corporation
Consolidated statements of financial position
(In thousands of U.S. dollars)

As at	December 31, 2018	December 31, 2017
Assets		
Current assets		
Cash and cash equivalents	$ 3,464	$ 9,325
Trade and other receivables (Note 6)	7,712	6,631
Inventories (Note 7)	8,136	9,366
Prepaid expenses	1,247	869
Asset held-for-sale (Note 8)	6,925	-
Convertible loan receivable (Note 9)	1,922	-
	29,406	26,191
Non-current assets		
Restricted cash	681	335
Property, plant and equipment (Note 8)	96,442	100,301
Deferred tax assets (Note 18)	626	626
Total assets	$ 127,155	$ 127,453
Liabilities		
Current liabilities		
Trade and other payables	$ 14,345	$ 10,393
Derivative instruments (Note 20)	35	-
Convertible loans payable (Note 9)	2,972	-
Pre-payment facility (Note 10)	5,610	4,000
	22,962	14,393
Non-current liabilities		
Other long-term liabilities	689	564
Pre-payment facility (Note 10)	5,500	11,000
Post-employment benefit obligations (Note 11)	8,174	8,618
Decommissioning provision (Note 12)	3,791	3,948
Derivative warrant liability (Note 9)	711	-
Deferred tax liabilities (Note 18)	1,132	872
Total liabilities	42,959	39,395
Equity		
Share capital (Note 13)	212,943	207,012
Equity reserve	34,837	34,760
Foreign currency translation reserve	6,541	6,284
Deficit	(170,125)	(159,998)
Total equity	84,196	88,058
Total liabilities and equity	$ 127,155	$ 127,453

Contingencies (Note 23), Subsequent events (Note 24)

APPROVED BY THE BOARD

(Signed) Brad Kipp
Director

(Signed) Gordon Pridham
Director

The accompanying notes are an integral part of the consolidated financial statements.

Americas Silver Corporation
Consolidated statements of loss and comprehensive loss
For the years ended December 31, 2018 and 2017
(In thousands of U.S. dollars, except share and per share amounts)

	2018	2017
Revenue (Note 16)	$ 68,354	$ 54,280
Cost of sales (Note 16)	(52,115)	(40,038)
Depletion and amortization (Note 8)	(10,572)	(6,709)
Care, maintenance and restructuring costs	(1,071)	(701)
Corporate general and administrative (Note 17)	(6,720)	(6,651)
Transaction costs	(871)	-
Exploration costs	(2,695)	(2,726)
Accretion on decommissioning provision (Note 12)	(196)	(185)
Interest and financing expense	(1,409)	(723)
Foreign exchange loss	(231)	(225)
Gain on disposal of assets (Note 8)	879	-
Gain on derivative instruments (Note 20)	865	-
Gain on derivative warrant liability (Note 9)	590	-
Loss on investment in equity instruments	-	(11)
Write-down of assets (Note 8)	(3,806)	(204)
Contingency on value added taxes (Note 23)	(1,012)	-
Loss before income taxes	(10,010)	(3,893)
Income tax recovery (expense) (Note 18)	(668)	427
Net loss	(10,678)	(3,466)
Other comprehensive income (loss)		
Items that will not be reclassified to net loss		
Actuarial gain (loss) on post-employment benefit obligations	551	(394)
Items that may be reclassified subsequently to net loss		
Foreign currency translation reserve	257	(170)
Change in fair value of available-for-sale securities	-	(237)
Other comprehensive income (loss)	808	(801)
Comprehensive loss	$ (9,870)	$ (4,267)
Loss per share		
Basic and diluted	(0.25)	(0.09)
Weighted average number of common shares outstanding		
Basic and diluted (Note 14)	42,639,530	40,194,660

The accompanying notes are an integral part of the consolidated financial statements.

Americas Silver Corporation
Consolidated statements of changes in equity
For the years ended December 31, 2018 and 2017
(In thousands of U.S. dollars, except share amounts)

	Share capital		Equity	Foreign currency translation	Change in fair value of investment in equity		Total
	Shares (000s)	Amount	reserve	reserve	instruments	Deficit	equity
Balance at January 1, 2018	41,497	$ 207,012	$ 34,760	$ 6,284	$ -	$ (159,998)	$ 88,058
Net loss for the year	-	-	-	-	-	(10,678)	(10,678)
Other comprehensive income for the year	-	-	-	257	-	551	808
Share-based payments	-	-	2,149	-	-	-	2,149
Proceeds from exercise of options and warrants	1,905	5,931	(2,072)	-	-	-	3,859
Balance at December 31, 2018	43,402	$ 212,943	$ 34,837	$ 6,541	$ -	$ (170,125)	$ 84,196
Balance at January 1, 2017	39,540	$ 202,191	$ 34,400	$ 6,454	$ 237	$ (156,138)	$ 87,144
Net loss for the year	-	-	-	-	-	(3,466)	(3,466)
Other comprehensive loss for the year	-	-	-	(170)	(237)	(394)	(801)
Share-based payments	-	-	1,956	-	-	-	1,956
Proceeds from exercise of options and warrants	1,957	4,821	(1,596)	-	-	-	3,225
Balance at December 31, 2017	41,497	$ 207,012	$ 34,760	$ 6,284	$ -	$ (159,998)	$ 88,058

The accompanying notes are an integral part of the consolidated financial statements.

Americas Silver Corporation
Consolidated statements of cash flows
For the years ended December 31, 2018 and 2017
(In thousands of U.S. dollars)

	2018	2017
Cash flow generated from (used in)		
Operating activities		
Net loss for the year	$ (10,678)	$ (3,466)
Adjustments for the following items:		
Depletion and amortization	10,572	6,709
Deferred income tax expense (recovery)	260	(588)
Accretion and decommissioning costs	196	185
Share-based payments	2,097	1,930
Unrealized loss on non-current assets	21	24
Provision on other long-term liabilities	9	185
Deferred costs on credit facilities	-	173
Deferred costs on convertible loans	335	-
Net charges on post-employment benefit obligations	107	108
Gain on derivative instruments	(147)	-
Gain on derivative warrant liability	(590)	-
Loss on investment in equity instruments	-	8
Write-down of assets	3,806	204
Contingency on value added taxes	1,012	-
	7,000	5,472
Changes in non-cash working capital items:		
Trade and other receivables	(1,081)	(2,629)
Inventories	1,230	(2,748)
Prepaid expenses	(378)	336
Trade and other payables	2,237	1,147
Net cash generated from operating activities	9,008	1,578
Investing activities		
Expenditures on property, plant and equipment	(14,893)	(7,176)
Net development costs on San Rafael	-	(13,435)
Net development costs on El Cajón	-	1,054
Purchase of San Felipe property option	(2,033)	(7,108)
Bond on decommissioning costs	(370)	-
Investment in convertible loan receivable	(1,892)	-
Net cash used in investing activities	(19,188)	(26,665)
Financing activities		
Financing from (repayments to) pre-payment facility	(3,890)	15,000
Financing from convertible loans payable	4,296	-
Repayments to credit facilities	-	(8,005)
Sale of investment in equity instruments	-	274
Proceeds from exercise of options and warrants	3,859	3,225
Net cash generated from financing activities	4,265	10,494
Effect of foreign exchange rate changes on cash	54	(137)
Decrease in cash and cash equivalents	(5,861)	(14,730)
Cash and cash equivalents, beginning of year	9,325	24,055
Cash and cash equivalents, end of year	$ 3,464	$ 9,325
Cash and cash equivalents consist of:		
Cash	$ 3,464	$ 9,325
Term deposits	-	-
	$ 3,464	$ 9,325
Interest paid during the year	$ 1,082	$ 1,165

The accompanying notes are an integral part of the consolidated financial statements.

1. Corporate information

Americas Silver Corporation (the “Company" or "Americas Silver") was incorporated under the Canada Business Corporations Act on May 12, 1998 and conducts mining exploration, development and production in the Americas. The address of the Company’s registered office is 145 King Street West, Suite 2870, Toronto, Ontario, Canada, M5H 1J8. The Company’s common shares are listed on the Toronto Stock Exchange under the symbol “USA” and on the New York Stock Exchange American under the symbol “USAS”.

The consolidated financial statements of the Company for the year ended December 31, 2018 were approved and authorized for issue by the Board of Directors of the Company on March 4, 2019.

2. Basis of presentation

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and IFRS Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part I of the Chartered Professional Accountants Canada Handbook. These consolidated financial statements have been prepared under the historical cost method, except for certain financial instruments measured at fair value. The Company has consistently applied the accounting policies used in preparation of these consolidated financial statements throughout all the periods presented. Significant accounting judgments and estimates used by management in the preparation of these consolidated financial statements are presented in Note 4.

3. Summary of significant accounting policies

The significant accounting policies used in the preparation of these consolidated financial statements are as follows:

a. Consolidation

These consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (its subsidiaries, including special purpose entities). Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All intercompany transactions and balances, income and expenses have been eliminated.

The Company applies the acquisition method to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company elects on an acquisition-by-acquisition basis whether to measure non-controlling interest at its fair value, or at its proportionate share of the recognized amount of identifiable net assets. Acquisition-related costs are expensed as incurred. Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is negative, a bargain purchase gain is recognized immediately in profit or loss.

Special Purpose Entities (“SPE’s”) as defined by the IASB in SIC 12 *Consolidation–Special Purpose Entities* are entities which are created to accomplish a narrow and well-defined objective (e.g. to provide services to the operating entity). SPE’s are subject to consolidation when there is an indication that the other entity controls the SPE. The Company has determined that it controls certain SPE’s relating to service companies at its Mexican operations (4246136 Canada Inc., Servicios Especializados en Minas S.A. de C.V., Triturados Mineros del Noroeste S.A. de C.V. and Servicios Generales en Mineria S.A. de C.V.) and the accounts of those SPE’s are consolidated with those of the Company.

b. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components. Determination of operating segments are based on the reports reviewed by the chief operating decision makers that are used to make strategic decisions about resources to be allocated to the segment and performance assessment, and for which discrete financial information is available. Unallocated items not directly attributable to a segment comprise mainly of corporate assets and head office expenses.

c. Presentation currency and functional currency

The Company's presentation currency is the U.S. dollar ("USD"). The functional currency of the Company's Canadian subsidiaries is the Canadian dollar ("CAD"), and the functional currency of its U.S., Mexican and British Virgin Island's subsidiaries and SPE's is the USD. The consolidated financial statements of the Company are translated into the presentation currency. Assets and liabilities have been translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (the average rate for the period). All resulting exchange differences are recorded in the foreign currency translation reserve.

d. Foreign currency translations

Transactions in foreign currencies are translated into the entities' functional currency at the exchange rate at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the functional currency are translated at the rate in effect at the statement of financial position date, and non-monetary items at historic exchange rates at each transaction date. Revenue and expense items are translated at average exchange rates of the reporting period. Gains and losses on translation are charged to the statements of loss and comprehensive loss.

e. Revenue recognition

The Company applies the following five-step approach in recognizing revenue from contracts with customers:

- Identify the enforceable contract with the customer
- Identify the separate performance obligations in the contract from transferring the distinct good or service
- Determine the transaction price for consideration of transferring the good or service
- Allocate the transaction price to the separate performance obligations identified
- Recognize revenue when each separate performance obligation is satisfied

The Company recognizes revenue through entering into concentrate sales contracts with customers with the performance obligation of delivering its concentrate production in exchange for consideration valued initially under provisional pricing arrangements. Revenue from sales is recorded at the time of delivery based on forward prices for the expected date of final settlement. The final sale prices are determined by quoted market prices in a period subsequent to the date of sale. In these circumstances.

Subsequent variations in metal prices are recognized as embedded derivative pricing adjustments at fair value from contracts with customers.

f. Defined benefit plans

The cost of defined benefit plans is determined using the projected unit credit method. The related pension liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Actuarial valuations for defined benefit plans are carried out annually. The discount rate applied in arriving at the present value of the pension liability represents the yield on high quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Actuarial gains and losses arise from the difference between the actual long-term rate of return on plan assets for a period and the expected long-term rate of return on plan assets for that period, or from changes in actuarial assumptions used to determine the accrued benefit obligation. Actuarial gains and losses arising in the year are recognized in full in the period in which they occur, in other comprehensive income and retained earnings without recycling to the consolidated statement of loss and comprehensive loss in subsequent periods.

Current service cost, the recognized element of any past service cost, interest expense arising on the pension liability and the expected return on plan assets are recognized in the same line items in the consolidated statement of loss and comprehensive loss as the related compensation cost.

The values attributed to plan liabilities are assessed in accordance with the advice of independent qualified actuaries. Service costs arising from plan amendments are recognized immediately.

g. Share-based payments

The Company's stock option plan allows its employees (including directors and officers) and non-employees to acquire shares of the Company. Accordingly, the fair value of the option is either charged to operations or capitalized to exploration or development expenditures, depending on the accounting for the optionee's other compensation, with a corresponding increase in equity reserve.

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted using the Black-Scholes Option Pricing Model.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity reserve, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the "vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date up to the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in equity reserve. No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

h. Income taxes

Income tax comprises of current and deferred tax. Income tax is recognized in the consolidated statement of loss and comprehensive loss except to the extent that it relates to items recognized directly in other comprehensive income (loss) or directly in equity, in which case the income tax is also recognized directly in other comprehensive income (loss) or equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries operate and generate taxable profit. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the consolidated statement of financial position date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses to the extent it is probable future taxable profits will be available against which they can be utilized.

The Company did not recognize any deferred income taxes relating to its investments in subsidiaries.

Deferred tax assets and liabilities are offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

i. Earnings/loss per share

Basic earnings/loss per share is calculated by dividing the net earnings/loss for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted earnings/loss per share is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to options, warrants and similar instruments is computed using the treasury stock method. The treasury stock method, which assumes that outstanding stock options and warrants with an average exercise price below the market price of the underlying shares, are exercised and the assumed proceeds are used to repurchase common shares of the Company at the average market price of the common shares for the period. The Company's potentially dilutive common shares comprise stock options granted to employees, and warrants.

j. Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net earnings such as foreign currency gains or losses related to the Company's net investment in foreign operations and unrealized gains or losses on available-for-sale securities net of tax. The Company's comprehensive income (loss), components of other comprehensive income (loss) and cumulative translation adjustments are presented in the consolidated statements of comprehensive income (loss) and the consolidated statements of changes in equity.

k. Inventories

Concentrates, ore stockpile, and spare parts and supplies are valued at the lower of cost and estimated net realizable value. Cost for concentrates and ore stockpile includes all direct costs incurred in production including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs determined on a weighted average basis for the Mexican operations and first in, first out method for the U.S. operations. Cost for spare parts and supplies are determined using the first in, first out method. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and future metal prices less estimated future production costs to convert inventories into saleable form.

Any write-downs of inventory to net realizable value are recorded as cost of sales. If there is a subsequent increase in the value of inventories, the previous write-downs to net realizable value are reversed to the extent that the related inventory has not been sold.

Ore stockpile represents ore that has been extracted from the mine and is available for further processing. Costs added to ore stockpile are valued based on current mining cost per tonne incurred up to the point of stockpiling the ore and are removed at the average cost per tonne. Ore stockpile is verified by periodic surveys and physical counts.

Materials and supplies inventory are valued at the lower of cost and net realizable value, where cost is determined using the first-in-first-out method. Any provision for obsolescence is determined by reference to specific items of stock. A regular review is undertaken to determine the extent of any provision for obsolescence by comparing those items to their net realizable value. If carrying value exceeds net realizable value, a write-down is recognized.

l. Investments

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in companies over which the Company exercises neither control nor significant influence and are designated as financial asset at fair value through other comprehensive income. Related unrealized gains (losses) are recognized in other comprehensive income (loss), unless the decrease in value is significant or prolonged, in which case, the loss is recorded in the statements of loss and comprehensive loss.

m. Property, plant and equipment

(i) Producing mining interests

Producing mining interests are carried at cost less accumulated depletion and amortization and accumulated impairment losses. Following the completion of commissioning, the costs related to the mining interests are depleted and charged to operations on the unit of production method as a proportion of estimated recoverable mineral reserves.

Completion of the commissioning is deemed to have occurred when major mine and processing plant components are completed, operating results are being achieved consistently for a period of time and that there are indicators that these operational results, including mill capacity and recovery, will be sustainable in the future.

Construction in progress is not depreciated until the assets are ready for their intended use.

(ii) Non-producing mining interests

The Company follows the method of accounting for its non-producing mining interests whereby all costs, net of incidental revenues, relating to the acquisition, exploration and development are deferred and capitalized by property until the property to which they directly relate is placed into production, sold, discontinued or subject to a condition of impairment.

In the event that a mining interest is placed into production, capitalization of costs ceases, the costs are transferred to producing mining interests and the mining interest is depleted on a unit of production basis. The recoverability of amounts is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Company to finance the development of the properties, and on the future profitable production or proceeds from the disposition thereof.

(iii) Plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate assets (major components) of property, plant and equipment.

The cost of replacing a part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within that part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. Repairs and maintenance are charged to the consolidated statement of loss and comprehensive loss during the period in which they are incurred.

Depreciation is recorded over the estimated useful life of the asset as follows:

- Mining interests – unit of production based upon estimated proven and probable reserves
- Plant and equipment – 3 – 30 years over straight line basis
- Corporate office equipment – 3 – 10 years over straight line basis

Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

(iv) Impairment of mining interests

The Company reviews and evaluates the carrying values of its tangible and intangible assets to determine whether there is an indication of impairment. For exploration and evaluation assets, indication includes but is not limited to expiration of the right to explore, substantive expenditure in the specific area is neither budgeted nor planned, and if the entity has decided to discontinue exploration activity in the specific area.

When the carrying value of assets exceeds the recoverable amount, the carrying value of the assets is reduced to the recoverable amount. The recoverable amount takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use of the asset. To achieve this, the recoverable amount is the higher of value in use (being the net present value of expected pre-tax future cash flows of the relevant asset) and fair value less costs to sell the asset.

If, after the Company has previously recognized an impairment loss, circumstances indicate that the recoverable amount of the impaired assets is greater than the carrying amount, the Company reverses the impairment loss by the amount the revised fair value exceeds its carrying amount, to a maximum of the previous impairment loss. In no case shall the revised carrying amount exceed the original carrying amount, after depreciation or amortization, that would have been determined if no impairment loss had been recognized.

n. Decommissioning provision

The Company recognizes contractual, statutory and legal obligations associated with retirement of mining properties when those obligations result from the acquisition, construction, development or normal operation of the assets. Initially, the decommissioning provision is recognized at its fair value in the period in which it is incurred. Upon initial recognition of the liability, the corresponding decommissioning provision is added to the carrying amount of that asset and the cost is amortized as an expense over the economic life of the related asset. Following the initial recognition of the decommissioning provision, the periodic unwinding of the discount is recognized in the consolidated statement of loss and comprehensive loss and adjusted for changes to the amount or timing of the underlying cash flows to settle the obligation.

o. Financial instruments

The Company classifies and measures its financial instruments at fair value, with changes in fair value recognized in profit or loss as they arise. Unless restrictive criteria regarding the objective and contractual cash flows of the instrument are met then classification and measurement are at either amortized cost or fair value through other comprehensive income.

Cash and cash equivalents and trade and other receivables are classified and measured as financial assets at amortized cost. Embedded derivatives arising from subsequent adjustments in provisional sales revenue are classified and measured as financial instruments at fair value through profit or loss. Trade and other payables are classified and measured as financial liabilities at amortized cost. Loans receivable and payable are classified and measured as financial assets at fair value through profit or loss and as financial liabilities at fair value through profit or loss, respectively. Investment in equity instruments are classified and measured as financial assets at fair value through other comprehensive income.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset and amortized over the expected useful life of that asset. Other borrowing costs not directly attributable to a qualifying asset are expensed in the period incurred.

q. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

r. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence, and related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

4. Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) Reserves and resources

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore bodies requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable 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, grade and recovery of the ore bodies.

Changes in the proven and probable reserves or measured, indicated and inferred mineral resources estimates may impact the carrying value of mining properties and equipment, depletion and amortization, impairment assessments and the timing of decommissioning provisions.

(ii) Depletion and amortization

Mining properties are depleted using the unit-of-production method over a period not to exceed the estimated life of the ore body based on estimated recoverable reserves.

Property, plant and equipment are depreciated, net of residual value over their estimated useful life but do not exceed the related estimated life of the mine based on estimated recoverable mineral reserves.

The calculation of the units of production rate, and therefore the annual depletion and amortization expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production and expansion of mineral reserves through exploration activities.

Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and amortization. No assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(iii) Decommissioning provision

The Company assesses its decommissioning provision on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning provision requires management to make estimates of the time and future costs the Company will incur to complete the rehabilitation work required to comply with existing laws and regulations at each mining operation. Also, future changes to environmental laws and regulations could increase the extent of rehabilitation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning provision. The provision represents management's best estimate of the present value of the future decommissioning provision. The actual future expenditures may differ from the amounts currently provided.

(iv) Share-based payments

The amount expensed for share-based compensation is based on the application of a recognized option valuation formula, which is highly dependent on, amongst other things, the expected volatility of the Company's registered shares, estimated forfeitures, and the expected life of the options. The Company uses an expected volatility rate for its shares based on past stock trading data, adjusted for future expectations, and actual volatility may be significantly different.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

(v) Income taxes

Preparation of the consolidated financial statements requires an estimate of income taxes in each of the jurisdictions in which the Company operates. The process involves an estimate of the Company's current tax exposure and an assessment of temporary differences resulting from differing treatment of items, such as depletion and amortization, for tax and accounting purposes, and when they might reverse.

These differences result in deferred tax assets and liabilities that are included in the Company's consolidated statements of financial position.

An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income. To the extent that recovery is not considered likely, the related tax benefits are not recognized.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets, net of valuation allowances, are realizable. The impact of different interpretations and applications could be material.

5. Changes in accounting policies and recent accounting pronouncements

The Company has adopted the following new accounting standards effective for annual periods beginning on or after January 1, 2018:

(i) Financial instruments

IFRS 9 - *Financial Instruments* - The standard was issued in its final version by the IASB in July 2014 bringing together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39, "Financial instruments: recognition and measurement" ("IAS 39"). The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The mandatory effective date of IFRS 9 would be annual periods beginning on or after January 1, 2018, with early adoption permitted. The adoption of IFRS 9 did not result in any changes to the classification or measurement of the Company's existing financial instruments on transition date.

The accounting policy on financial instruments summarized in Note 3(o) was adopted as at January 1, 2018 retrospectively and replaces the Company's previously existing accounting policy on financial instruments summarized in Note 3(o) of the consolidated financial statements for the year ended December 31, 2017.

(ii) Revenue from contracts with customers

IFRS 15 - *Revenue from Contracts with Customers* - The final standard on revenue from contracts with customers was issued in May 2014 and is effective for annual reporting periods beginning on or after January 1, 2018 for public entities with early adoption permitted. The standard covers principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance. The adoption of IFRS 15 did not impact the revenue recognition process of the Company's existing provisional pricing arrangements on concentrate sales except for disaggregating the Company's revenue for note disclosure purposes.

The accounting policy on revenue recognition summarized in Note 3(e) was adopted as at January 1, 2018 using the modified retrospective approach and replaces the Company's previously existing accounting policy on revenue recognition summarized in Note 3(e) of the consolidated financial statements for the year ended December 31, 2017.

The following are future changes in accounting policies not yet effective as at December 31, 2018:

(i) Leases

IFRS 16 - *Leases* - The standard on leases was issued in January 2016 and is effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. The standard requires lessees to recognize assets and liabilities for most leases. The Company is finalizing its assessment and quantifying the impact of this standard and expect increases to assets, liabilities, depreciation and amortization, with decreases to cost of sales on adoption. The modified retrospective approach will be used resulting in no restatement of prior year comparatives.

6. Trade and other receivables

	December 31, 2018	December 31, 2017
Trade receivables	$ 6,126	$ 3,779
Value added taxes receivable	1,465	2,751
Other receivables	121	101
	$ 7,712	$ 6,631

7. Inventories

	December 31, 2018	December 31, 2017
Concentrates	$ 941	$ 1,391
Ore stockpiles	1,602	2,877
Spare parts and supplies	5,593	5,098
	$ 8,136	$ 9,366

The amount of inventories recognized as an expense during the year ended December 31, 2018 was $52.1 million (2017: $40.0 million). During the year ended December 31, 2018, the concentrates and ore stockpiles, and spare parts and supplies write-down (recovery) to net realizable value included in cost of sales was $0.6 million and ($0.2) million, respectively (2017: $0.4 million and $0.3 million, respectively).

8. Property, plant and equipment

	Mining interests	Non-producing properties	Plant and equipment	Corporate office equipment	Total
Cost					
Balance at January 1, 2017	$ 67,571	$ 77,390	$ 40,013	$ 81	$ 185,055
Asset additions	5,233	5,526	8,795	3	19,557
Property purchase option acquired	-	7,108	-	-	7,108
Change in decommissioning provision	(37)	38	-	-	1
Reclassification	31,595	(31,595)	-	-	-
Balance at December 31, 2017	104,362	58,467	48,808	84	211,721
Asset additions	9,420	-	5,734	11	15,165
Property purchase option acquired	-	2,633	-	-	2,633
Change in decommissioning provision	(354)	-	-	-	(354)
Reclassification	-	(61,100)	-	-	(61,100)
Balance at December 31, 2018	$ 113,428	$ -	$ 54,542	$ 95	$ 168,065
Accumulated depreciation and depletion					
Balance at January 1, 2017	$ 31,410	$ 50,502	$ 22,566	$ 29	$ 104,507
Depreciation/depletion for the year	3,438	-	3,261	10	6,709
Write-down of equipment	-	-	204	-	204
Balance at December 31, 2017	34,848	50,502	26,031	39	111,420
Depreciation/depletion for the year	6,762	-	3,800	10	10,572
Write-down of equipment	-	-	133	-	133
Reclassification	-	(50,502)	-	-	(50,502)
Balance at December 31, 2018	$ 41,610	$ -	$ 29,964	$ 49	$ 71,623
Carrying value					
at December 31, 2017	$ 69,514	$ 7,965	$ 22,777	$ 45	$ 100,301
at December 31, 2018	$ 71,818	$ -	$ 24,578	$ 46	$ 96,442

On March 2, 2017, the Company entered into an option acquisition agreement with Impulsora Minera Santacruz S.A. de C.V., a wholly-owned subsidiary of Santacruz Silver Mining Ltd. ("Santacruz"), to acquire an existing option with Minera Hochschild Mexico S.A. de C.V. ("Hochschild") for the right to acquire a 100% interest of the San Felipe property located in Sonora, Mexico for total consideration of $15 million in cash, payable in two installments. The purchase of the option of $5 million to Santacruz plus an initial option payment of $2 million to Hochschild, plus applicable VAT, was paid with cash on hand by the Company in March 2017 while the final option payment of $8 million, plus applicable VAT, was payable to Hochschild on or before December 15, 2017. On December 1, 2017, the final option payment of $8 million, plus applicable VAT, was amended to become option payments of $0.5 million paid on January 1, 2018, $0.5 million paid on April 1, 2018, $1 million paid on July 1, 2018, with the remaining balance of $6 million to be paid on December 31, 2018. On December 15, 2018, the remaining option payment of $6 million, plus applicable VAT, was amended to become eight quarterly option payments of $0.75 million due and payable following the end of first quarter 2019, subject to satisfaction of certain conditions. As consideration for the amendment, the Company agreed to issue common shares valued at $0.6 million to Hochschild, subject to satisfaction of certain conditions. As at December 31, 2018, the property purchase option was reclassified as an asset held-for-sale as its carrying amount will be recovered principally through sale. A write-down of $3.7 million was recorded for the year-ended December 31, 2018 to measure the asset held-for-sale at the lower of its carrying amount of $10.6 million and fair value less estimated costs to sell of $6.9 million.

Effective December 19, 2017, the San Rafael mine declared commercial production which the Company defined as operating at an average of 80% designed production capacity with saleable concentrate recoveries within 5% of its mining feasibility study over a two-week period. The Company transferred $31.6 million in net book value from non-producing properties to mining interests including the historical carrying value of $25.2 million, net of pre-commercial production revenue of $4.0 million.

Non-current assets are tested for impairment or impairment reversals when events or changes in circumstances suggest that the carrying amount may not be recoverable. A write-down of $0.1 million was recorded for the year ended December 31, 2018 as a result of adjusting carrying amounts of equipment to recoverable amounts (2017: $0.2 million). No other impairment or impairment reversal indicators were identified for the year ended December 31, 2018.

The Company recognized a gain of $0.8 million in the second quarter of 2018 related to proceeds received through an insurance claim for equipment damaged from mining operations during fiscal 2017.

The amount of borrowing costs capitalized as property, plant and equipment was nil during the year ended December 31, 2018 (2017: $0.7 million).

9. Convertible loans receivable and payable

On October 1, 2018, in connection with the proposed business combination with Pershing Gold Corporation ("Pershing") (see Note 24), the Company entered into short-term secured convertible loan agreements with Pierre Lassonde and two other lenders for $5.5 million CAD due July 1, 2019 with interest payable at 15% per annum (the "Convertible Loans Payable"). The Convertible Loans Payable may be extended to mature on October 1, 2019 with interest payable at 18% per annum upon election by the Company.

The Company recorded a derivative asset of $0.2 million on initial recognition based on the estimated fair value of the extension option and recognized a loss of $0.1 million in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2018 as a result of the change in estimated fair value of the extension option.

The Convertible Loans Payable may be converted into common shares of the Company upon mutual election at a conversion price determined as the lower of $3.1231 CAD or the volume-weighted average price of the Company's common shares for five trading days immediately preceding the date of exercise. On initial recognition and as at December 31, 2018, the fair value of the conversion option is nil. Interest expense of $0.2 million was recorded in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2018 in connection with the Convertible Loans Payable.

Under the terms of the Convertible Loans Payable, the Company issued 1,074,999 warrants to the lenders where each warrant is exercisable for one common share at an exercise price of $3.1231 CAD for a period of 5 years. The holders of the warrants may elect a cashless exercise option to receive common shares of the Company equal to the fair value of the warrants, in lieu of exercising the warrants for cash. If so elected, the fair value of the warrants is determined by multiplying the number of warrants to be exercised by the market price of a common share less the warrants exercise price with the difference divided by the market price of the common share. There will be variability in the number of shares issued per warrant if a warrant holder exercises this option.

The Company recorded a derivative warrant liability on initial recognition of $1.3 million based on the estimated fair value of the warrants determined using the Black-Scholes warrant pricing model and recognized $0.6 million in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2018 as a result of the change in estimated fair value of the derivative warrant liability.

The initial fair value of the principal portion of the Convertible Loans Payable was determined using a market interest rate for an equivalent non-convertible instrument at the issue date. The principal portion is subsequently recognized on an amortized cost basis until extinguished on conversion or maturity. The remainder of the proceeds are allocated to the extension option, the conversion option, and the derivative warrant liability.

The net proceeds of the Convertible Loans Payable are being used by the Company to fund a short-term secured first lien convertible loan to Pershing due June 1, 2019 with interest payable at 16% per annum (the "Convertible Loan Receivable") to address Pershing's near-term working capital requirements. As at December 31, 2018, the Company had funded $2.0 million of the Convertible Loan Receivable to Pershing. The Convertible Loan Receivable may be extended to mature on September 1, 2019 with interest payable at 19% per annum upon election by Pershing. The Convertible Loan Receivable may be converted into common shares of Pershing upon election by the Company at a conversion price determined as the higher of $1.18 or the volume-weighted average price of Pershing's common shares for five trading days immediately preceding the date of exercise. The Convertible Loan Receivable is carried at fair value with changes in fair value recorded in the consolidated statement of loss and comprehensive loss for the period.

10. Pre-payment facility

On January 29, 2017, the Company entered into a pre-payment facility for $15.0 million with Metagri S.A. de C.V., a subsidiary of Glencore PLC ("Glencore"), to fund a portion of the development costs for the San Rafael project within the Cosalá district of Sinaloa, Mexico (the "Pre-Payment Facility"). The Pre-Payment Facility was drawn in full on March 30, 2017, has a term of four years at an interest of U.S. LIBOR rate plus 5% per annum, and is secured by a promissory note in the amount of up to $15.0 million issued by the Company, a corporate guarantee in favour of Glencore, and limited asset level security on the San Rafael project. The Company has also entered into four-year offtake agreements with Glencore for the zinc and lead concentrates produced from the San Rafael project where Glencore will pay for the concentrates at the prevailing market prices for silver, zinc and lead, less customary treatment, refining and penalty charges. Repayment of principal on the Pre-Payment Facility began in January 2018 as an additional tonnage charge on shipments of concentrate where $3.9 million was paid during 2018, with minimum annual principal repayments of $5.5 million due during 2019 and $5.5 million due during 2020.

11. Post-employment benefit obligations

The Company maintains two non-contributory defined benefit pension plans covering substantially all employees at its U.S. operating subsidiary, U.S. Silver – Idaho, Inc. One plan covers salaried employees and one plan covers hourly employees. Benefits for the salaried plan are based on salary and years of service. Hourly plan benefits are based on negotiated benefits and years of service. The Company's funding policy is to contribute annually the minimum amount prescribed, as specified by applicable regulations. The expected average service life of the active plan participants as at December 31, 2018 is approximately 9 years.

The amounts recognized in the consolidated statements financial position are as follows:

	December 31, 2018	December 31, 2017
Present value of funded obligations	$ 25,068	$ 26,730
Fair value of plan assets	16,894	18,112
Deficit of funded plans	$ 8,174	$ 8,618

The movements in the defined benefit obligations are as follows:

	December 31, 2018	December 31, 2017
Obligations, beginning of year	$ 26,730	$ 23,910
Current service costs	755	774
Interest costs	965	999
Benefits paid	(960)	(901)
Actuarial loss (gain)	(2,422)	1,948
Obligations, end of year	$ 25,068	$ 26,730

The movements in the fair value of plan assets are as follows:

	December 31, 2018	December 31, 2017
Assets, beginning of year	$ 18,112	$ 15,794
Return on assets	685	678
Actuarial gain (loss)	(1,871)	1,555
Employer contributions	928	986
Benefits paid	(960)	(901)
Assets, end of year	$ 16,894	$ 18,112

The amounts recognized in the consolidated statements of loss and comprehensive loss are as follows:

	December 31, 2018	December 31, 2017
Current service costs and interest costs included in cost of sales	$ 1,720	$ 1,773

The principal actuarial assumptions are as follows:

	December 31, 2018	December 31, 2017
Discount rate (expense)	3.75%	4.25%
Discount rate (year end disclosures)	4.25%	3.75%
Future salary increases (salaried plan only)	5.00%	5.00%

A 1% decrease in discount rate would have resulted in approximately $3.7 million increase in the defined benefit obligation from $25.1 million to $28.8 million as at December 31, 2018 (2017: $4.4 million increase in the defined benefit obligation from $26.7 million to $31.1 million). A 1% increase in future salary increases would have resulted in approximately $0.1 million increase in the defined benefit obligation from $25.1 million to $25.2 million as at December 31, 2018 (2017: $0.1 million increase in the defined benefit obligation from $26.7 million to $26.8 million).

Plan assets are fully comprised of pooled or mutual funds. The expected return on plan assets at 3.8% (2017: 4.3%) is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yield on fixed interest investments is based on gross redemption yields as at the end of the reporting period. Expected returns on equity investments reflect long-term real rates of return in the market.

Expected contributions to pension benefit plans for the year ended December 31, 2019 are approximately $0.8 million. For the year ended December 31, 2018, the actuarial gains charged to other comprehensive income are $0.6 million (2017: actuarial losses of $0.4 million charged to other comprehensive loss).

12. Decommissioning provision

The decommissioning provision consists of land rehabilitation, demolition of buildings and mine facilities, and related costs. Although the ultimate amount of the decommissioning provision is uncertain, the fair value of these obligations is based on information currently available, including closure plans and the Company's interpretation of current regulatory requirements.

Fair value is determined based on the net present value of future cash expenditures upon reclamation and closure. Reclamation and closure costs are capitalized into property, plant and equipment depending on the nature of the asset related to the obligation and amortized over the life of the related asset.

The decommissioning provision relates to reclamation and closure costs of the Company's Cosalá Operations and Galena Complex. The decommissioning provision is estimated at an undiscounted amount of $4.9 million, over a period of 1 to 11 years, and discounted using a risk free rate varying from 2.7% to 8.5%.

	December 31, 2018	December 31, 2017
Provisions, beginning of year	$ 3,948	$ 3,829
Decommissioning costs and change in estimates	(353)	(66)
Accretion on decommissioning provision	196	185
Provisions, end of year	$ 3,791	$ 3,948

13. Share capital

a. Authorized

Authorized share capital consists of an unlimited number of common shares.

	December 31, 2018	December 31, 2017
Issued		
43,402,434 (2017: 41,496,950) common shares	$ 212,943	$ 207,012

b. Stock option plan

The number of shares reserved for issuance under the Company's stock option plan is limited to 10% of the number of common shares which are issued and outstanding on the date of a particular grant of options. Under the plan, the Board of Directors determines the term of a stock option to a maximum of 10 years, the period of time during which the options may vest and become exercisable as well as the option exercise price which shall not be less than the closing price of the Company's share on the Toronto Stock Exchange on the date immediately preceding the date of grant. The Compensation Committee determines and makes recommendations to the Board of Directors as to the recipients of, and nature and size of, share-based compensation awards in compliance with applicable securities law, stock exchange and other regulatory requirements.

A summary of changes in the Company's outstanding stock options is presented below:

	December 31, 2018		December 31, 2017	
	Number (thousands)	Weighted average exercise price CAD	Number (thousands)	Weighted average exercise price CAD
Balance, beginning of year	2,316	$ 3.06	1,771	$ 4.64
Granted	1,435	4.54	1,058	3.86
Exercised	(471)	2.29	(261)	3.22
Expired	(120)	5.14	(252)	17.31
Balance, end of year	3,160	$ 3.77	2,316	$ 3.06

The following table summarizes information on stock options outstanding and exercisable as at December 31, 2018:

Exercise price CAD	Weighted average remaining contractual life (years)	Outstanding (thousands)	Weighted average exercise price CAD	Exercisable (thousands)	Weighted average exercise price CAD
2.00 to 3.00	0.30	731	2.04	711	$ 2.04
3.01 to 4.00	1.07	1,025	3.85	683	3.85
4.01 to 5.00	2.01	1,364	4.58	468	4.58
5.01 to 6.00	2.07	40	5.55	13	5.55
		3,160	$ 3.77	1,875	$ 3.36

c. Share-based payments

The weighted average fair value at grant date of the Company's stock options granted during the year ended December 31, 2018 was $1.47 (2017: $1.58).

The Company used the Black-Scholes Option Pricing Model to estimate fair value using the following weighted-average assumptions:

	Year ended December 31, 2018	Year ended December 31, 2017
Expected stock price volatility (1)	59%	83%
Risk free interest rate	1.76%	0.87%
Expected life	3 years	3 years
Expected forfeiture rate	3.34%	4.18%
Expected dividend yield	0%	0%
Share-based payments included in cost of sales	$ -	$ -
Share-based payments included in general and administrative expenses	2,042	1,491
Total share-based payments	$ 2,042	$ 1,491

(1) Expected volatility has been based on historical volatility of the Company's publicly traded shares.

d. Warrants

The warrants that are issued and outstanding as at December 31, 2018 are as follows:

Number of warrants	Exercise price (CAD)	Issuance date	Expiry date
1,074,999	3.12	Oct 2018	Oct 1, 2023
799,065	4.68	Jul 2016	Jun 14, 2021
1,447,426	4.68	Jun 2016	Jun 9, 2021
1,537,355	1.20	Feb 2016	Feb 10, 2019
4,858,845			

e. Restricted Share Units:

The Company has a Restricted Share Unit Plan under which eligible directors, officers and key employees of the Company are entitled to receive awards of restricted share units. Each restricted share unit is equivalent in value to the fair market value of a common share of the Company on the date of grant with the value of each cash settled award charged to compensation expense over the period of vesting. At each reporting date, the compensation expense and associated liability (which is included in trade and other long-term liabilities in the consolidated statement of financial position) are adjusted to reflect changes in market value. As at December 31, 2018, 86,692 (2017: 208,722) restricted share units are outstanding at an aggregate value of $0.1 million (2017: $0.8 million).

f. Deferred Share Units:

The Company has a Deferred Share Unit Plan under which eligible directors of the Company are entitled to receive awards of deferred share units on a quarterly basis as payment for 20% to 100% of their director fees earned. Deferred share units are settled in either cash or common shares at the Company's discretion when the director leaves the Company's Board of Directors. The Company recognizes a cost in director fees and a corresponding increase in equity reserve upon issuance of deferred share units. As at December 31, 2018, 337,137 (2017: 286,920) deferred share units are issued and outstanding.

14. Weighted average basic and diluted number of common shares outstanding

	Year ended December 31, 2018	Year ended December 31, 2017
Basic weighted average number of shares	42,639,530	40,194,660
Effect of dilutive stock options and warrants	-	-
Diluted weighted average number of shares	42,639,530	40,194,660

Diluted weighted average number of common shares for the year ended December 31, 2018 excludes 3,159,993 (2017: 2,316,264) anti-dilutive stock options and 4,858,845 (2017: 5,167,391) anti-dilutive warrants.

15. Revenue

The following is a disaggregation of revenue categorized by commodities sold:

	Year ended December 31, 2018	Year ended December 31, 2017
Silver		
Provisional sales revenue	$ 22,400	$ 29,986
Derivative pricing adjustments	(299)	1,116
	22,101	31,102
Zinc		
Provisional sales revenue	$ 44,148	$ 10,520
Derivative pricing adjustments	(2,022)	213
	42,126	10,733
Lead		
Provisional sales revenue	$ 30,871	$ 25,197
Derivative pricing adjustments	(513)	210
	30,358	25,407
Other by-products		
Provisional sales revenue	$ 542	$ 2,111
Derivative pricing adjustments	(11)	14
	531	2,125
Total provisional sales revenue	$ 97,961	$ 67,814
Total derivative pricing adjustments	(2,845)	1,553
Gross revenue	95,116	69,367
Treatment and selling costs	(26,762)	(15,087)
	$ 68,354	$ 54,280

Derivative pricing adjustments represent subsequent variations in revenue recognized as an embedded derivative from contracts with customers and are accounted for as financial instruments (see Note 20). Revenue from contracts with customers is recognized net of treatment and selling costs if payment of those amounts is enforced at the time of sale.

16. Cost of sales

Cost of sales is costs that directly relate to production at the mine operating segments and excludes depletion and amortization. The following are components of cost of sales:

	Year ended December 31, 2018	Year ended December 31, 2017
Salaries and employee benefits	$ 24,942	$ 22,314
Raw materials and consumables	18,951	14,252
Utilities	4,539	3,902
Other costs	2,453	2,318
Changes in inventories	1,230	(2,748)
	$ 52,115	$ 40,038

17. Corporate general and administrative expenses

Corporate general and administrative expenses are costs incurred at corporate and other segments that do not directly relate to production. The following are components of corporate general and administrative expenses:

	Year ended December 31, 2018	Year ended December 31, 2017
Salaries and employee benefits	$ 2,160	$ 2,173
Directors' fees	326	269
Share-based payments	1,990	1,930
Professional fees	700	477
Office and general	1,544	1,802
	$ 6,720	$ 6,651

18. Income taxes

The components of income tax expense (recovery) are as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Current income tax expense	$ 408	$ 161
Deferred income tax expense (recovery)	260	(588)
Income tax expense (recovery)	$ 668	$ (427)

The Company's effective rate of income tax differs from the statutory rate of 26.5% as follows:

	Year ended December 31, 2018	Year ended December 31, 2017
Tax recovery at statutory rates	$ (2,744)	$ (1,032)
Mexican mining royalty	668	199
Impact of foreign tax rates	(107)	18
Non-deductible expenses	927	535
Alternative minimum tax credits	-	(626)
Losses not recognized	1,924	479
Income tax expense (recovery)	$ 668	$ (427)

On December 22, 2017, the United States government enacted a tax reform with changes to reducing the corporate income tax rate from 35% to 21% and repealing the corporate alternative minimum tax effective January 1, 2018. The Company assessed the impact of the tax reform and recognized a deferred tax asset of $0.6 million as at December 31, 2017 with respect to recoverable alternative minimum tax credits. Impact of the tax reform may differ due to changes in interpretations and assumptions made along with guidance which may subsequently be issued.

The Company's net deferred tax asset relates to the U.S. alternative minimum tax credits available:

	December 31, 2018	December 31, 2017
Alternative minimum tax credits	$ 626	$ 626
Net operating losses	742	-
Total deferred tax assets	1,368	626
Property, plant and equipment	(742)	-
Net deferred tax assets	$ 626	$ 626

The Company's net deferred tax liability relates to the Mexican mining royalty and arises principally from the following:

	December 31, 2018	December 31, 2017
Property, plant and equipment	$ 878	$ 900
Other	607	-
Total deferred tax liabilities	1,485	900
Provisions and reserves	(353)	(28)
Net deferred tax liabilities	$ 1,132	$ 872

Deferred income taxes have not been recognized in respect of the following deductible temporary differences, as management does not consider their utilization to be probable for the foreseeable future:

	December 31, 2018	December 31, 2017
Property, plant and equipment	$ 5,600	$ 4,890
Mexican tax losses (expiring in 2023 - 2027)	29,476	42,843
Canadian tax losses (expiring in 2026 - 2038)	34,053	35,173
U.S. tax losses (expiring in 2028 - 2037)	31,159	32,070
U.S. tax losses (no expiry)	6,802	-
Provisions and other	26,479	24,956
Deferred Mexican mining royalty	1,838	872
	$ 135,407	$ 140,804

19. Related party transactions

Remuneration to directors and key management who have the authority and responsibility for planning, directing and continuing the activities of the Company:

	Year ended December 31, 2018	Year ended December 31, 2017
Salaries and benefits	$ 1,142	$ 888
Directors' fees	326	269
Share-based payments	1,633	1,617

20. Financial risk management

a. Financial risk factors

The Company's risk exposures and the impact on its financial instruments are summarized below:

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and trade and other receivables. The credit risk on cash and cash equivalents is limited because the Company invests its cash in deposits with well-capitalized financial institutions with strong credit ratings in Canada and the United States. Under current concentrate offtake agreements, risk on trade receivables related to concentrate sales is managed by receiving payments for 85% to 100% of the estimated value of the concentrate within one month following the time of shipment.

As of December 31, 2018, the Company's exposure to credit risk with respect to trade receivables amounts to $6.1 million (December 31, 2017: $3.8 million). The Company believes credit risk for Mexican Value Added Taxes of $1.5 million (December 31, 2017: $2.8 million) is not significant as they relate to current amounts receivable from Mexican taxation authorities. There are no significant provision recorded for expected credit losses at December 31, 2018 and December 31, 2017.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity requirements are met through a variety of sources, including cash, cash generated from operations, existing credit facilities and debt and equity capital markets. The Company's trade payables have contractual maturities of less than 30 days and are subject to normal trade terms.

The following table presents the contractual maturities of the Company's financial liabilities on an undiscounted basis:

	December 31, 2018				
	Total	Less than 1 year	2-3 years	4-5 years	Over 5 years
Trade and other payables	$ 14,345	$ 14,345	$ -	$ -	$ -
Pre-payment facility	11,110	5,610	5,500	-	-
Interest on pre-payment facility	863	639	224	-	-
Convertible loans	4,032	4,032	-	-	-
Interest on convertible loans	300	300	-	-	-
Projected pension contributions	4,512	818	1,593	1,524	577
Decommissioning provision	5,258	50	618	-	4,590
Operating leases	1,055	261	505	289	-
Other long-term liabilities	689	-	212	-	477
	$ 42,164	$ 26,055	$ 8,652	$ 1,813	$ 5,644

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

(1) Interest rate risk

The Company is subject to the interest rate risk of U.S. LIBOR rate plus 5% per annum from the existing pre-payment facility.

(2) Currency risk

As at December 31, 2018, the Company is exposed to foreign currency risk through financial assets and liabilities denominated in CAD and Mexican pesos ("MXP"):

Financial instruments that may impact the Company's net earnings or other comprehensive income due to currency fluctuations include CAD and MXP denominated assets and liabilities which are included in the following table:

	As at December 31, 2018	
	CAD	MXP
Cash and cash equivalents	$ 105	$ 100
Trade and other receivables	38	1,484
Trade and other payables	1,334	6,351

As at December 31, 2018, the CAD/USD and MXP/USD exchange rates were 1.36 and 19.68, respectively. The sensitivity of the Company's net loss and comprehensive loss due to changes in the exchange rates as at December 31, 2018 is included in the following table:

	CAD/USD Exchange rate	MXP/USD Exchange rate
	+/- 10%	+/- 10%
Approximate impact on:		
Net loss	$ 752	$ 1,879
Other comprehensive loss	110	(135)

The Company may, from time to time, employ derivative financial instruments to manage exposure to fluctuations in foreign currency exchange rates.

At December 31, 2018, the Company had non-hedge foreign exchange forward contracts to buy approximately 120.0 million MXP at average exchange rate of 20.46 MXP/USD to be settled within the first half of 2019 valued at approximately $5.9 million. The average forward exchange rate on settlement as at December 31, 2018 was approximately 19.96 MXP/USD with the currencies having a fair value of approximately $6.0 million. Accordingly, the Company recorded an unrealized gain of $0.1 million through profit or loss during the year ended December 31, 2018. The Company settled non-hedge foreign exchange forward contracts to buy approximately 122.5 million MXP and recorded realized gains of $0.2 million through profit or loss during the year ended December 31, 2018.

(3) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments in the market. As at December 31, 2018, the Company had certain amounts related to the sales of concentrates that have only been provisionally priced. A ±10% fluctuation in silver, zinc, lead, copper and gold prices would affect trade receivables by approximately $0.6 million (2017: $0.4 million).

The Company settled non-hedge commodity forward contracts to sell approximately 2.8 million pounds of zinc and 2.6 million pounds of lead and recorded realized gains of $0.2 million and $0.3 million, respectively, through profit or loss during the year ended December 31, 2018.

b. Fair values

The fair value of cash, restricted cash, trade and other payables, and other long-term liabilities approximate their carrying amounts. The methods and assumptions used in estimating the fair value of other financial assets and liabilities are as follows:

- Cash and cash equivalents: The fair value of cash equivalents is valued using quoted market prices in active markets. The Company's cash equivalents consist of money market accounts held at financial institutions which have original maturities of less than 90 days.
- Trade and other receivables: The fair value of trade receivables from silver sales contracts that contain provisional pricing terms is determined using the appropriate quoted forward price from the exchange that is the principal active market for the particular metal. As such, there is an embedded derivative feature within trade receivables.
- Convertible loans receivable and payable: The principal portion of the Convertible Loan Receivable is carried at fair value while the principal portion of the Convertible Loans Payable is carried at amortized cost.
- Embedded derivatives: Revenues from the sale of metals produced since the commencement of commercial production are based on provisional prices at the time of shipment. Variations between the price recorded at the time of sale and the actual final price received from the customer are caused by changes in market prices for metals sold and result in an embedded derivative in revenues and accounts receivable.
- Derivatives: The Company uses derivative and non-derivative instruments to manage financial risks, including commodity, interest rate, and foreign exchange risks. The use of derivative contracts is governed by documented risk management policies and approved limits. The Company does not use derivatives for speculative purposes. The fair value of the Company's derivative instruments is based on quoted market prices for similar instruments and at market prices at the valuation date.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (for example, interest rate and yield curves observable at commonly quoted intervals, forward pricing curves used to value currency and commodity contracts and volatility measurements used to value option contracts), or inputs that are derived principally from or corroborated by observable market data or other means.
  Level 3 inputs are unobservable (supported by little or no market activity).

	December 31, 2018	December 31, 2017
Level 1		
Cash and cash equivalents	$ 3,464	$ 9,325
Restricted cash	681	335
Level 2		
Trade and other receivables	7,712	6,631
Derivative instruments	35	-
Convertible loan receivable	1,977	-
Convertible loans payable	4,032	-
Pre-payment facility	11,110	15,000
Derivative warrant liability	711	-

21. Segmented and geographic information, and major customers

a. Segmented information

The Company's operations comprise of three reporting segments engaged in acquisition, exploration, development and exploration of mineral resource properties in Mexico and the United States. Management has determined the operating segments based on the reports reviewed by the chief operating decision makers that are used to make strategic decisions.

b. Geographic information

All revenues from sale of concentrates for year ended December 31, 2018 and 2017 were earned in Mexico and the United States. The following segmented information is presented as at and during the years ended December 31, 2018 and 2017.

	As at December 31, 2018				As at December 31, 2017			
	Mexican Operations	U.S. Operations	Corporate and Other	Total	Mexican Operations	U.S. Operations	Corporate and Other	Total
Cash and cash equivalents	$ 3,305	$ (2)	$ 161	$ 3,464	$ 5,963	$ 1,791	$ 1,571	$ 9,325
Trade and other receivables	6,353	1,274	85	7,712	4,901	1,711	19	6,631
Inventories	5,844	2,292	-	8,136	6,301	3,065	-	9,366
Prepaid expenses	506	535	206	1,247	346	305	218	869
Asset held-for-sale	6,925	-	-	6,925	-	-	-	-
Convertible loan receivable	-	-	1,922	1,922	-	-	-	-
Restricted cash	139	541	1	681	160	171	4	335
Property, plant and equipment	52,540	43,856	46	96,442	59,686	40,570	45	100,301
Deferred tax assets	-	626	-	626	-	626	-	626
Total assets	$ 75,612	$ 49,122	$ 2,421	$ 127,155	$ 77,357	$ 48,239	$ 1,857	$ 127,453
Trade and other payables	$ 8,094	$ 3,614	$ 2,637	$ 14,345	$ 5,893	$ 2,608	$ 1,892	$ 10,393
Derivative instruments	-	-	35	35	-	-	-	-
Convertible loans payable	-	-	2,972	2,972	-	-	-	-
Other long-term liabilities	-	632	57	689	-	469	95	564
Pre-payment facility	11,110	-	-	11,110	15,000	-	-	15,000
Post-employment benefit obligations	-	8,174	-	8,174	-	8,618	-	8,618
Decommissioning provision	1,760	2,031	-	3,791	1,904	2,044	-	3,948
Derivative warrant liability	-	-	711	711	-	-	-	-
Deferred tax liabilities	1,132	-	-	1,132	872	-	-	872
Total liabilities	$ 22,096	$ 14,451	$ 6,412	$ 42,959	$ 23,669	$ 13,739	$ 1,987	$ 39,395

	Year ended December 31, 2018				Year ended December 31, 2017			
	Mexican Operations	U.S. Operations	Corporate and Other	Total	Mexican Operations	U.S. Operations	Corporate and Other	Total
Revenue	$ 41,506	$ 26,848	$ -	$ 68,354	$ 21,512	$ 32,768	$ -	$ 54,280
Cost of sales	(23,283)	(28,832)	-	(52,115)	(10,195)	(29,843)	-	(40,038)
Depletion and amortization	(7,200)	(3,362)	(10)	(10,572)	(3,247)	(3,452)	(10)	(6,709)
Care, maintenance and restructuring costs	(39)	(1,032)	-	(1,071)	(60)	(473)	(168)	(701)
Corporate general and administrative	-	-	(6,720)	(6,720)	-	-	(6,651)	(6,651)
Transaction costs	-	-	(871)	(871)				
Exploration costs	(2,501)	(194)	-	(2,695)	(2,407)	(319)	-	(2,726)
Accretion on decommissioning provision	(149)	(47)	-	(196)	(144)	(41)	-	(185)
Interest and financing expense	(972)	-	(437)	(1,409)	(35)	-	(688)	(723)
Foreign exchange gain (loss)	(295)	-	64	(231)	(308)	-	83	(225)
Gain on disposal of assets	879	-	-	879	-	-	-	-
Gain on derivative instruments	224	165	476	865	-	-	-	-
Gain on derivative warrant liability	-	-	590	590	-	-	-	-
Loss on investment in equity instruments	-	-	-	-	-	-	(11)	(11)
Write-down of assets	(3,729)	(77)	-	(3,806)	-	(204)	-	(204)
Contingency on value added taxes	(1,012)	-	-	(1,012)	-	-	-	-
Income (loss) before income taxes	3,429	(6,531)	(6,908)	(10,010)	5,116	(1,564)	(7,445)	(3,893)
Income tax recovery (expense)	(668)	-	-	(668)	(219)	646	-	427
Net income (loss) for the year	$ 2,761	$ (6,531)	$ (6,908)	$ (10,678)	$ 4,897	$ (918)	$ (7,445)	$ (3,466)

c. Major customers

The Company sold concentrates to 2 customers during the year ended December 31, 2018 (2017: two customers), with each customer accounting for 78%, and 22% (2017: 60%, and 40%) of revenues, respectively.

22. Capital management

Capital is defined as equity. The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern and to maximize the value for its shareholders.

The Company's activities have been funded so far through debt and equity financing based on cash needs, and through operations. The Company typically sells its shares by way of private placement. There were no changes in these objectives, policies and processes used to manage capital during the year.

On February 19, 2019, the Company entered into a $3.0 million unsecured, promissory note maturing on February 19, 2020 at an interest rate of 10% per annum, payable quarterly, from a third party interested in providing financing for the development of the Relief Canyon Mine.

The Company manages its capital structure and determines its capital requirements in light of the changing economic conditions and the risk characteristics of its assets. To reach its objectives the Company may have to maintain or adjust its capital structure by issuing new share capital or new debt.

At this stage of its development, it is the policy of the Company to preserve cash to fund its operations and not to pay dividends. As of December 31, 2018, and 2017, the Company is not subject to any externally imposed capital requirements.

The following summarizes the Company's capital structure:

	December 31, 2018	December 31, 2017
Equity attributable to shareholders of the Company	$ 84,196	$ 88,058

23. Contingencies

Due to the size, complexity and nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is both probable and the amount can be reasonably estimated.

In November 2010, the Company received a reassessment from the Mexican tax authorities related to its Mexican subsidiary, Minera Cosalá, for the year ended December 31, 2007. The tax authorities disallowed the deduction of transactions with certain suppliers for an amount of approximately $10.0 million (MXP 196.8 million), of which $4.3 million (MXP 84.4 million) would be applied against available tax losses. The Company appealed this reassessment and the Mexican tax authorities subsequently reversed $4.8 million (MXP 94.6 million) of their original reassessment. The remaining $5.2 million (MXP 102.2 million) consists of $4.3 million (MXP 84.4 million) related to transactions with certain suppliers and $0.9 million (MXP 17.8 million) of value added taxes thereon. The Company appealed the remaining reassessment with the Mexican Tax Court in December 2011. The Company may be required to post a bond of approximately $0.9 million (MXP 17.8 million) to secure the value added tax portion of the reassessment. The deductions of $4.3 million (MXP 84.4 million), if denied, would be offset by available tax losses. The Company accrued $1.0 million (MXP 19.9 million) in the consolidated financial statements as at December 31, 2018 as a probable obligation for the disallowance of value added taxes related to the Mexican tax reassessment.

24. Subsequent events

On September 28, 2018, the Company entered into a definitive agreement to complete a business combination with Pershing. Under the terms of the combination transaction, shareholders of Pershing will receive 0.715 common shares of the Company for each outstanding Pershing common shares held and the right to receive 461.440 common shares of the Company for each outstanding Pershing preferred shares held. A special meeting of shareholders was held approving the proposed combination transaction with closing of the combination transaction expected during the first quarter of 2019.

EXHIBIT 99.3

AMERICAS SILVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018
DATED MARCH 4, 2019

Americas Silver Corporation
Management's Discussion and Analysis
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Unless otherwise indicated, in this Management Discussion and Analysis all reference to "dollar" or the use of the symbol "$" are to the United States of America dollar and all references to "C$" are to the Canadian dollar. Additionally, percentage changes in this Management Discussion and Analysis are based on dollar amounts before rounding.

Forward-Looking Statements

Statements contained in this MD&A that are not current or historical factual statements may constitute forward-looking information or forward-looking statements within the meaning of applicable Canadian and United States securities laws. All statements other than statements of historical fact included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including without limitation, statements regarding any objectives, expectations, intentions, plans, results, levels of activity, goals or achievements, estimates of mineral reserves and resources, the realization of mineral reserve estimates, the expected timing for the completion of the Pershing Gold Acquisition (as defined herein), including the receipt of CFIUS (as defined herein) approval in connection therewith, the ramp up of San Rafael mining operations, impairment of mining interests and non-producing properties, the timing and amount of estimated future production, production guidance, costs of production, capital expenditures, costs and timing of development, success of exploration and development activities, the Company's expected plans and strategy in connection with the San Felipe Project, permitting timelines, government regulation of mining operations, environmental risks, the going concern assumption, and the timing and possible outcomes of pending disputes or litigation, negotiations or regulatory investigations are or involve forward-looking statements. Although forward-looking statements contained in this MD&A are based on what management considers to be reasonable assumptions based on information currently available to it, there can be no assurances that actual events, performance or results will be consistent with these forward-looking statements, and management's assumptions may prove to be incorrect. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "anticipates", "assumes", "believes", "budget", "could", "estimates", "expects", "forecasts", "guidance", "indicates", "intends", "likely", "may", "objective", "outlook", "plans", "potential", "predicts", "scheduled", "should", "target", "trends", "will", or "would" or the negative or other variations of these words or other comparable words or phrases. This MD&A and its appendices, including those set out under "Risk Factors" in this MD&A, contain forward-looking statements including, but not limited to those relating to the Company. All such forward-looking statements are subject to important risks, uncertainties and assumptions. These statements are forward-looking because they are based on current expectations, estimates and assumptions. It is important to know that: (i) unless otherwise indicated, forward-looking statements in this MD&A and its appendices describe expectations as at the date hereof; (ii) actual results and events could differ materially from those expressed or implied in the forward-looking statements in this MD&A and its appendices, if known or unknown risks affect the respective businesses of the Company, or if their estimates or assumptions turn out to be inaccurate. As a result, the Company cannot guarantee that the results or events expressed or implied in any forward-looking statement will materialize, and accordingly, you are cautioned not to place undue reliance on these forward-looking statements; and (iii) the Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable securities laws. The Company has made a number of assumptions in making forward-looking statements in this MD&A and its appendices.

The list above is not exhaustive of the factors that may affect the Company's forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in the MD&A. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements.

Cautionary Note to Investors in the United States Regarding Resources and Reserves

The technical information in this MD&A has been prepared in accordance with the requirements of the securities laws in effect in Canada which differ from the requirements of United States securities laws. All mining terms used herein but not otherwise defined have the meanings set forth in National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). The definitions of proven and probable reserves ("Mineral Reserves" or "Reserves") used in NI 43-101 differ from the definitions in the U.S. Securities and Exchange Commission ("SEC") Industry Guide 7. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year history average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. 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 normally are 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 the 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 great uncertainty 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 securities laws, estimates of inferred mineral resources may not form the basis of feasibility or prefeasibility studies, except in certain specific cases. Additionally, disclosure of "contained ounces" in a resource is permitted disclosure under Canadian securities laws, however the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measurements. Accordingly, information contained in this MD&A containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements of United States federal securities laws and the rules and regulations thereunder.

Management's Discussion and Analysis

This MD&A of the results of operations, liquidity and capital resources of Americas Silver Corporation ("Americas Silver" or the "Company") constitutes management's review of the Company's financial and operating performance for the year ended December 31, 2018, including the Company's financial condition and future prospects. Except as otherwise noted, this discussion is dated March 4, 2019 and should be read in conjunction with the Company's audited consolidated financial statements and the notes thereto for the years ended December 31, 2018 and 2017. The audited consolidated financial statements for the years ended December 31, 2018 and 2017 are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Company prepared its latest financial statements in U.S. dollars and all amounts in this MD&A are expressed in U.S. dollars, unless otherwise stated. These documents along with additional information relating to the Company including the Company's most recent Annual Information Form are available on SEDAR at www.sedar.com and on the Company's website at www.americassilvercorp.com The content of Americas Silver's website and information accessible through the website do not form part of this MD&A.

In this report, the management of the Company presents operating highlights for the year ended December 31, 2018 compared to the year ended December 31, 2017 as well as comments on plans for the future. Throughout this MD&A, references to silver equivalent ounces produced are based on the average silver, zinc, lead and copper realized metal prices during each respective period, except as otherwise noted.

Securities regulators encourage companies to disclose forward-looking information to help investors understand a company's future prospects. This discussion contains statements about the Company's future financial condition, results of operations and business. See page 1 of this report for more information on forward-looking statements.

The Company was incorporated under the *Canada Business Corporations Act* on May 12, 1998 and conducts mining exploration, development and production in the Americas.

Overview

The Company has operations in two of the world's leading silver regions: the Cosalá Operations in Sinaloa, Mexico and the Galena Complex in Idaho, USA.

In Sinaloa, Mexico, the Company operates the 100%-owned, producing, San Rafael silver-zinc-lead mine ("San Rafael") after declaring commercial production in December 2017. Prior to that time, it operated the 100%-owned Nuestra Señora silver-zinc-copper-lead mine after commissioning the Los Braceros processing facility and declaring commercial production in January 2009. The Cosalá area land holdings also host several other known deposits, past-producing mines, and prospects including the Zone 120 silver-copper-gold deposit and the El Cajón silver-copper deposit ("El Cajón"). These properties are located in close proximity to the Los Braceros processing plant.

In Idaho, USA, the Company operates the 100%-owned producing Galena Complex whose primary assets are the operating Galena mine, the Coeur mine, and the contiguous Caladay development project in the Coeur d'Alene Mining District of the northern Idaho Silver Valley. The Galena Complex has recorded production of over 230 million ounces of silver along with associated by-product metals of copper and lead over a modern production history of more than sixty years. The Coeur mine has been put on care and maintenance pending an improvement in the silver price.

The Company's mission is to profitably expand its precious metals production through the development of its own projects and consolidation of complementary projects. The Company's current strategy is focused on extending the mine life of its current assets through exploration, optimizing the recently developed San Rafael mine, and charting a path to profitability at Galena. Exploration will continue evaluating early stage targets with an emphasis on the Cosalá District, and prospective areas near existing infrastructure at the Galena Complex.

The Company's management and Board of Directors (the "Board") are comprised of senior mining executives who have extensive experience identifying, acquiring, developing, financing, and operating precious metals deposits globally. The head office of the Company is located at 145 King Street West, Suite 2870, Toronto, Ontario, Canada, M5H 1J8. The Company is a reporting issuer in the jurisdictions of Ontario, British Columbia, Alberta, and Quebec, and is listed on the TSX trading under the symbol "USA" and on the NYSE American trading under the symbol "USAS".

Recent Developments and Operational Discussion

Fiscal 2018 Summary

- Production of 6.3 million consolidated silver equivalent ounces, an increase of 32% year-over-year, including 1.4 million consolidated silver ounces.
- Revenue of $68.4 million and net loss of $10.7 million for the year or ($0.25) per share, an increase in revenue of 26% and an increase in net loss of 208% compared to fiscal 2017.
- The Company entered into a definitive agreement with Pershing Gold Corporation ("Pershing Gold") to complete a business combination on September 28, 2018 (the "Pershing Gold Acquisition") with subsequent approval of the transaction by the respective shareholders of both companies on January 9, 2019. The Pershing Gold Acquisition is currently waiting on approval by the Committee on Foreign Investment in the United States ("CFIUS").
- Consolidated zinc production of 34.2 million pounds and lead production of 30.5 million pounds, increases of 194% and 20%, respectively.
- Realized prices on sales of silver, zinc and lead decreased by 9%, 1%, and 4%, respectively, during the year compared to fiscal 2017.
- Cost of sales of $8.29/oz. equivalent silver, by-product cash cost[1] of negative ($0.63/oz.) silver, all-in sustaining cost [1] of $9.80/oz. silver for the year, representing year-over-year decreases of 18%, 107%, and 26%, respectively.
- San Rafael achieved its goal of sustaining a milling rate of over 1,700 tonnes per operating day.
- Galena Complex production was negatively impacted by two separate issues at its No.3 Shaft that inhibited normal hoisting for approximately 27 days in total.
- Updated the estimate of mineral reserves and resources with an effective date of June 30, 2018, highlighted by a consolidated silver inventory containing 26 million ounces of proven and probable reserves, 70 million ounces of measured and indicated resources, and 28 million ounces of inferred resources.
- The Company had a cash balance of $3.5 million and working capital balance of $6.4 million as at December 31, 2018.

[1] Cash cost per ounce and all-in sustaining cost per ounce are non-IFRS performance measures with no standardized definition. For further information and detailed reconciliations, please refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce" section in this MD&A.

Consolidated Operations

Overall 2018 was a successful operating year for Americas Silver with consolidated silver equivalent production of approximately 6.3 million ounces compared to production of 4.7 million ounces during 2017, an increase of 32%, despite hoisting issues experienced at the Galena Complex. The significant increase in consolidated silver equivalent production was primarily due to the 190% greater zinc and 125% greater lead production, a result of the San Rafael mine enjoying its first full year of operation after declaring commercial production in December 2017. The Los Braceros processing plant reached a performance milestone by sustaining a milling rate of over 1,700 tonnes per operating day by the end of the third quarter of the year, with increased milling rates continuing into the first quarter of 2019.

Metal prices began 2018 well with consistent levels of precious metals and increasing base metal prices but came off sharply late in the first half of 2018 and maintained lower levels through the second half of 2018 as the impact of U.S./Chinese trade discussions were felt widely across markets. Year-over-year, the silver spot price decreased from an average of $17.04 per ounce in 2017 to an average of $15.71 per ounce in 2018. Additionally, the market prices for the Company's zinc and lead by-product metals also decreased year-over-year similarly influenced by international trade uncertainty. The zinc spot price decreased to $1.14 per pound by the end of 2018 after starting the fiscal year at $1.53 per pound, while lead spot price decreased to $0.91 per pound by the end of 2018 after starting the fiscal year at $1.15 per pound. The decrease in metal prices was the primary driver of the Company's cash balance decreasing to $3.5 million at the end 2018 despite the significant increase in silver equivalent production from San Rafael offset by lower production from the Galena Complex due to hoisting issues.

Consolidated silver production was 1.4 million silver ounces compared to 2.1 million silver ounces, a decrease of 31% over fiscal 2017. The reduced silver production was due to mine sequencing at San Rafael as the initial development extracted ore from an area of mineralization close to the mine's portal that contained 57% lower average silver grades of 47 g/t in 2018 compared to the 110 g/t average silver grade of estimated proven and probable reserves for the deposit. The San Rafael mine continued advancing underground development into the Main Zone during 2018 in order to prepare the mine for 2019 production with targeted silver grades of approximately 60 g/t with further increases expected in the silver grade in 2020 and beyond.

As previously discussed by the Company, the strong silver equivalent production from Cosalá was tempered by reduced mill throughput at the Cosalá Operations due to an unplanned mill repair lasting approximately 10 days, in addition to approximately 120 hours of lost operating time at the process plant due to periodic power outages stemming from delivery problems originating with the electricity provider. Additionally, the Galena Complex milled tonnage was lower as production was negatively impacted by two separate issues at its No.3 Shaft that inhibited normal hoisting for approximately 27 days in total.

In 2018, consolidated costs of sales were $8.29/oz. equivalent silver, by-product cash costs were negative ($0.63/oz.) silver, and all-in sustaining costs were $9.80/oz. silver, representing year-over-year decreases of 18%, 107%, and 26%, respectively. The improvement in cash costs was primarily a result of the significant increase in zinc and lead production compared to 2017 discussed above, offset by decreases in the realized prices for zinc and lead during the year.

On September 28, 2018, the Company entered into a definitive agreement to complete a the Pershing Gold Acquisition. The Pershing Gold Acquisition will add an attractive gold-silver development project in Nevada with significant precious metal growth to the Company's production profile. Under the terms of the Pershing Gold Acquisition, shareholders of Pershing Gold will receive 0.715 common shares of the Company for each outstanding Pershing Gold common shares held. On January 9, 2019, the Company and Pershing Gold announced their respective shareholders provided the requisite approvals for the Pershing Gold Acquisition. The Pershing Gold Acquisition is currently waiting on approval by CFIUS. In anticipation of the closing of the Pershing Gold Acquisition, discussions are proceeding with parties interested in providing financing for the development of the Relief Canyon Mine. Details on the Pershing Gold Acquisition can be found on the Company's website at www.americassilvercorp.com. The content of Americas Silver's website and information accessible through the website do not form part of this MD&A.

In connection with the proposed Pershing Gold Acquisition, the Company entered into a short-term, secured, convertible loan agreement with Pierre Lassonde and two other lenders for C$5.5 million with interest payable at 15% per annum. The net proceeds of this loan are being used by the Company to fund a $4.0 million short-term secured first lien convertible loan to Pershing Gold with interest payable at 16% per annum to address Pershing Gold's near-term working capital requirements.

On October 11, 2018, the Company updated mineral reserve and resource estimates for the Cosalá Operations and Galena Complex with an effective date of June 30, 2018. The estimate includes the San Felipe property located in Sonora, Mexico on which the Company holds an option. The estimated silver inventory contained 26 million ounces of proven and probable reserves, a decrease of 2 million ounces or 9%, and 70 million ounces of measured and indicated resources, an increase of 12 million ounces or 21%. Total silver contained in the inferred category decreased by 23% to 28.3 million ounces primarily due to resource conversion at Zone 120 and adoption of stricter estimation parameters at Galena offset by the inclusion of 3.1 million ounces from the San Felipe Project. Following the announced business combination with Pershing Gold, the Company is reviewing its strategic options for the San Felipe Project and has classified it as a current asset as at year end.

Drilling completed in early 2018 at the Company's Zone 120 deposit improved the confidence and understanding of the deposit. The estimated indicated resource increased to 2.7 million tonnes grading 186 g/t silver and 0.46% copper for 16.2 million contained silver ounces or 3.7 million ounces more than the previous estimate, an improvement of approximately 30%, or 0.6 million tonnes and 3.7 million ounces. The Company is currently assessing the economic viability of the development of the project following exhaustion of the San Rafael deposit. The future development of the project is expected to require low initial capital expenditure given the proximity of the deposit to existing and planned infrastructure at San Rafael. The assessment will also benefit from the knowledge attained from the Company's recent development and ongoing mining at San Rafael.

Mineral reserve and resource estimates and exploration results from the 2018 drill programs can be found on the Company's website at www.americassilvercorp.com. The content of Americas Silver's website and information accessible through the website do not form part of this MD&A.

A subsidiary of the Company was party, with the United Steel Workers Union, to a collective bargaining agreement that covers all of the hourly employees at the Galena Complex with a term from June 29, 2014 to June 28, 2017. Effective August 29, 2018, union membership at the Galena Complex ratified a collective bargaining agreement between a subsidiary of the Company and the United Steel Workers Union. The agreement runs until August 28, 2022 and covers substantially all of the operation's hourly employees.

Consolidated Results and Developments

	Fiscal Year Ended December 31,	
	2018	**2017**
Revenues ($ M)	$ 68.4	$ 54.3
Silver Produced (oz)	1,417,537	2,056,017
Zinc Produced (lbs)	34,219,472	11,623,138
Lead Produced (lbs)	30,466,799	25,392,619
Copper Produced (lbs)	-	1,167,401
Total Silver Equivalent Produced (oz) [1]	6,286,531	4,746,387
Cost of Sales/Ag Eq Oz Produced ($/oz) [3]	$ 8.29	$ 10.13
Cash Cost/Ag Oz Produced ($/oz) [2,3]	$ (0.63)	$ 9.45
All-In Sustaining Cost/Ag Oz Produced ($/oz) [2,3]	$ 9.80	$ 13.29
Net Loss ($ M)	$ (10.7)	$ (3.5)
Comprehensive Loss ($ M)	$ (9.9)	$ (4.3)

1 Throughout this MD&A, silver equivalent production was calculated based on average silver, zinc, lead and copper realized prices during each respective period.
2 Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce" section in this MD&A.
3 Calculation excludes pre-production of 50,490 silver ounces and 435,323 silver equivalent ounces mined from San Rafael during its commissioning period. It also excludes pre-production of 245,391 silver ounces and 360,530 silver equivalent ounces mined in 2017 from El Cajón during its commissioning period. Pre-production revenue and cost of sales from San Rafael and El Cajón are capitalized as an offset to development costs.

During 2018, the Company produced 6,286,531 silver equivalent ounces, including 1,417,537 ounces of silver, at cost of sales of $8.29/oz. equivalent silver, by-product cash cost of negative ($0.63/oz.) silver, and all-in sustaining cost of $9.80/oz. silver. These results compare to 4,746,387 silver equivalent ounces, including 2,056,017 ounces of silver, at cost of sales of $10.13/oz. equivalent silver, by-product cash cost of $9.45/oz. silver, and all-in sustaining cost of $13.29/oz. silver during 2017, a 32% increase in production of silver equivalent ounces, and a 31%, 18%, 107% and 26% decrease in production of silver ounces, cost of sales per equivalent silver ounce, by-product cash cost per ounce, and all-in sustaining cost per ounce, respectively.

As previously discussed, consolidated silver production during 2018 was lower by 31% compared to 2017. The decrease was the result of lower silver grade and metallurgical recovery at the Cosalá Operations, in addition to the previously announced production interruptions at the Galena mine. San Rafael will initially provide lower silver production compared to the previously mined deposits at the Cosalá Operations until mining sequences to the higher silver grade areas of the ore body later in 2020. The consolidated silver equivalent production increased by 32%, and the consolidated cash costs and all-in sustaining costs decreased by 107% and 26%, respectively, when compared to 2017, due to comparatively higher base metal grades generally present in the San Rafael deposit.

As a result of the increased silver equivalent production, revenues increased by $14.1 million or 26% from $54.3 million during 2017 to $68.4 million during 2018. However, net loss increased by $7.2 million from $3.5 million during 2017 to $10.7 million during 2018. Increase in net loss was primarily attributable to higher cost of sales from increased production, higher depletion and amortization, transaction costs, higher write-down of assets, a contingency related to value added taxes, and higher income tax expense, offset by higher net revenue from increased silver equivalent production at lower realized prices, a gain on the disposal of assets, and gains on derivative instruments. The Company generated cash from operating activities before non-cash working capital items of $7.0 million during 2018 compared to $5.5 million during 2017. These variances are further discussed in the following sections.

In March 2017, the Company entered into an option acquisition agreement with Santacruz Silver Mining Ltd. ("Santacruz") to acquire an existing option with Minera Hochschild Mexico S.A. de C.V. ("Hochschild") for the right to acquire a 100% interest of the San Felipe property located in Sonora, Mexico for total consideration of $15 million in cash, payable in two installments. The purchase of the option for $5 million plus an initial option payment for $2 million was paid to Santacruz and Hochschild, respectively, with cash on hand by the Company in March 2017 while the final option payment of $8 million was payable to Hochschild on or before December 15, 2017. On December 1, 2017, the final option payment of $8 million, plus applicable VAT, was amended to become option payments of $0.5 million paid on January 1, 2018, $0.5 million paid on April 1, 2018, $1.0 million paid on July 1, 2018, with the remaining balance of $6 million payable on or before December 31, 2018. On December 15, 2018, the remaining option payment of $6 million, plus applicable VAT, was amended to become eight quarterly option payments of $0.75 million due and payable following the end of first quarter 2019, subject to satisfaction of certain conditions. As consideration for the amendment, the Company issued common shares valued at $0.6 million to Hochschild subsequent to year-end. Following the announced Pershing Gold Acquisition transaction, the Company is reviewing its strategic options for the San Felipe Project and has classified it as an asset held-for-sale as at year end.

Cosalá Operations

	Fiscal Year Ended December 31,	
	2018	**2017**
Tonnes Milled	544,472	526,726
Silver Grade (g/t)	47	66
Zinc Grade (%)[1]	3.65	1.66
Lead Grade (%)[1]	1.50	0.82
Copper Grade (%)[1]	-	0.17
Silver Recovery (%)	54.1	82.5
Zinc Recovery (%)	78.1	76.6
Lead Recovery (%)	71.5	75.1
Copper Recovery (%)	-	68.6
Silver Produced (oz)	448,150	920,806
Zinc Produced (lbs)	34,219,472	11,623,138
Lead Produced (lbs)	12,865,832	5,616,905
Copper Produced (lbs)	-	1,167,401
Total Silver Equivalent Produced (oz)	4,165,326	2,386,135
Silver Sold (oz)	438,568	912,983
Zinc Sold (lbs)	33,714,154	10,919,556
Lead Sold (lbs)	12,695,880	5,351,596
Copper Sold (lbs)	-	1,144,385
Realized Silver Price ($/oz)	$ 15.45	$ 17.11
Realized Zinc Price ($/lb)	$ 1.32	$ 1.33
Realized Lead Price ($/lb)	$ 1.01	$ 1.07
Realized Copper Price ($/lb)	-	$ 2.79
Cost of Sales/Ag Eq Oz Produced ($/oz) [3]	$ 5.59	$ 6.41
Cash Cost/Ag Oz Produced ($/oz) [2,3]	$ (37.95)	$ (0.13)
All-In Sustaining Cost/Ag Oz Produced ($/oz) [2,3]	$ (19.66)	$ 0.57

1 Zinc and lead grades only refer to grades from silver-zinc-lead-copper and silver-zinc-lead ores, and copper grades only refer to grades from silver-zinc-lead-copper and silver-copper ores.
2 Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce" section in this MD&A.
3 Calculation excludes pre-production of 50,490 silver ounces and 435,323 silver equivalent ounces mined from San Rafael during its commissioning period. It also excludes pre-production of 245,391 silver ounces and 360,530 silver equivalent ounces mined in 2017 from El Cajón during its commissioning period. Pre-production revenue and cost of sales from San Rafael and El Cajón are capitalized as an offset to development costs.

The Cosalá Operations processed 544,472 tonnes of ore at an average grade of 47 g/t of silver to produce 448,150 ounces of silver at cost of sales of $5.59/oz. equivalent silver, by-product cash cost of negative ($37.95/oz.) silver, and all-in sustaining cost of negative ($19.66/oz.). silver during 2018. These results compare to 526,726 tonnes of ore at an average grade of 66 g/t of silver to produce 920,806 ounces of silver at cost of sales of $6.41/oz. equivalent silver, by-product cash cost of negative ($0.13/oz.) silver, and all-in sustaining cost of $0.57/oz. silver during 2017, a 3% increase in tonnes of ore milled, a 51%, and 13% decrease in ounces of silver produced, and cost of sales per equivalent silver ounce, respectively, and significant decreases in by-product cash cost per ounce and all-in sustaining cost per ounce by well above 100%. Silver equivalent production at Cosalá increased to 4,165,326 ounces from 2,386,135 ounces due to the production of 34.2 million pounds of zinc and 12.9 million pounds of lead, increases of 194% and 129%, respectively. Silver recovery to concentrate was 54.1% in 2018 (2017 – 82.5%).

The Cosalá Operations had a significant increase in silver equivalent production as well as a significant reduction in cash costs and all-in sustaining costs during 2018, primarily due to the by-product metal production from zinc and lead during the period, which increased by 194% and 129%, respectively, when compared to 2017. Silver production during 2018 from the Cosalá Operations was 51% lower compared to 2017 as the Company completed its first year of operations from its new San Rafael mine after declaring commercial production in December 2017 after winding down operations at Nuestra Señora during fiscal 2017. San Rafael will initially produce ore containing lower silver grade and higher base metal grades compared to the previously producing Nuestra Señora mine. The initial development in the San Rafael ore body was in an area closest to the portal where the silver grade is less than half of the reserve silver grade.

Realized silver price of $15.45/oz. for 2018 (2017 – $17.11/oz.) is comparable to the average London silver spot price of $15.71/oz. for 2018 (2017 – $17.04/oz.). Realized silver price is a measurement of gross silver revenues over silver ounces sold during the period, excluding unrealized mark-to-market gains and losses on provisional pricing and treatment and refining charges.

Galena Complex

	Fiscal Year Ended December 31,	
	2018	**2017**
Tonnes Milled	140,680	163,772
Silver Grade (g/t)	226	227
Lead Grade (%)	6.19	6.02
Silver Recovery (%)	94.7	95.0
Lead Recovery (%)	91.7	90.9
Silver Produced (oz)	969,387	1,135,211
Lead Produced (lbs)	17,600,967	19,775,714
Total Silver Equivalent Produced (oz)	2,121,205	2,360,252
Silver Sold (oz)	986,177	1,143,139
Lead Sold (lbs)	17,924,273	19,792,596
Realized Silver Price ($/oz)	$ 15.74	$ 17.11
Realized Lead Price ($/lb)	$ 1.02	$ 1.06
Cost of Sales/Ag Eq Oz Produced ($/oz)	$ 13.59	$ 12.64
Cash Cost/Ag Oz Produced ($/oz) [1]	$ 16.63	$ 14.73
All-In Sustaining Cost/Ag Oz Produced ($/oz) [1]	$ 23.42	$ 20.30

[1] Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce" section in this MD&A.

The Galena Complex processed 140,680 tonnes of ore at an average grade of 226 g/t of silver to produce 969,387 ounces of silver at cost of sales of $13.59/oz. equivalent silver, by-product cash cost of $16.63/oz. silver, and all-in sustaining cost of $23.42/oz. silver during 2018, compared to 163,772 tonnes of ore at an average grade of 227 g/t of silver to produce 1,135,211 ounces of silver at cost of sales of $12.64/oz. equivalent silver, by-product cash cost of $14.73/oz. silver, and all-in sustaining cost of $20.30/oz. silver during 2017, a 14% and 15% decrease in tonnes of ore milled and ounces of silver produced, respectively, and a 7%, 13% and 15% increase in cost of sales per equivalent silver ounce, by-product cash cost per ounce, and all-in sustaining cost per ounce, respectively.

Despite maintaining or improving silver and lead grades and recoveries, tonnes milled and production at the Galena Complex was negatively impacted by two issues affecting the No.3 Shaft as previously announced: a 10-day suspension of hoisting in late April to allow the repair of steel sets in the shaft, and a 17-day shutdown of the hoist in June to address a mechanical failure in the brake mechanism. The Complex was temporarily considered to be on care and maintenance for the 17-day shutdown as repairs were performed with certain costs excluded from the cash costs and all-in sustaining costs calculations. Repairs were completed by the end of June 2018.

Realized silver price of $15.74/oz. for 2018 (2017 – $17.11/oz.) is comparable to the average London silver spot price of $15.71/oz. for 2017 (2017 – $17.04/oz.). The realized silver price decreased by 8% from 2017 to 2018. Realized silver price is a measurement of gross silver revenues over silver ounces sold during the period, excluding unrealized mark-to-market gains and losses on provisional pricing and treatment and refining charges.

Guidance

The Company's guidance for 2019 is production off 1.6 - 1.9 million silver ounces and 6.6 - 7.0 million silver equivalent ounces at cost of sales of $8.00 to $9.00 per ounce equivalent silver, cash costs of $4.00 to $6.00 per ounce silver, and all-in sustaining costs of $10.00 to $12.00 per ounce silver, including budgeted capital of $10 - $11 million. The Company assumed $14.50 per ounce silver, $1.15 per pound zinc, $0.90 per pound lead, and an exchange rate of 19 Mexican pesos to U.S. dollar for these guidance estimates.

The increase in cash cost and all-in sustaining cost per ounce is due to the lower assumed metal prices affecting estimated by-product metal revenue from the San Rafael and Galena mines. This guidance is supported by estimated zinc production of approximately 36-40 million lbs. and estimated lead production of 34-38 million lbs. in 2019. The Company's consolidated exploration budget for fiscal 2019 is $1.3 million. This guidance excludes construction capital related to Pershing Gold's Relief Canyon Mine. The Company intends to update guidance to include this capital after the close of the Pershing Gold Acquisition.

Results of Operations

Analysis of the year ended December 31, 2018 vs. the year ended December 31, 2017

The Company recorded a net loss of $10.7 million for the year ended December 31, 2018 compared to net loss of $3.5 million for the year ended December 31, 2017. The increase in net loss was primarily attributable to higher cost of sales from increased production ($12.1 million), higher depletion and amortization ($3.9 million), transaction costs ($0.9 million), higher write-down of assets ($3.6 million), contingency on value added taxes ($1.0 million), and higher income tax expense ($1.1 million), offset by higher net revenue from increased silver equivalent production at lower realized prices ($14.1 million), gain on the disposal of assets ($0.9 million), and gain on derivative instruments ($0.9 million), each of which are described in more detail below.

Revenues increased by $14.1 million from $54.3 million for the year ended December 31, 2017 to $68.4 million for the year ended December 31, 2018. The increase is primarily due to an increase in zinc and lead revenues of approximately $20 million from the San Rafael mine during the year compared to 2017 when revenue recognized solely from production from the last months of operations at the lower-grade Nuestra Señora mine, less $5.9 million in decreased revenues due to a decrease in silver production and sales at the Galena Complex from resolved issues affecting the No.3 Shaft during the year. Revenue was impacted by negative provisional pricing adjustments of $2.8 million (2017 – positive $1.6 million) during the year due to the decrease in metal prices in the second half of 2018.

Cost of Sales increased by $12.1 million from $40.0 million for the year ended December 31, 2017 to $52.1 million for the year ended December 31, 2018. The increase is primarily due to a $13.1 million increase in cost of sales from the Cosalá Operations. In 2017, development costs, net of pre-production revenues related to San Rafael and El Cajón were capitalized to fixed assets instead of expensed as cost of sales. This increase was offset by a $1.0 million decrease in cost of sales from the Galena Complex from challenges affecting the No.3 Shaft negatively impacting production during the year and its classification as care and maintenance during part of that period.

Depletion and amortization increased by $3.9 million from $6.7 million for the year ended December 31, 2017 to $10.6 million for the year ended December 31, 2018. The increase is primarily due to declaration of San Rafael commercial production in December 2017 resulting in the depletion of its mining interests during the full year of 2018. With this declaration, the Company transferred $6.4 million of deferred development costs and $25.2 million of historical carrying value related to San Rafael to mining interests and began amortizing these costs based on the Company's depletion and amortization policies.

Transaction costs of $0.9 million were incurred for the year ended December 31, 2018 primarily related to the Pershing Gold Acquisition.

Gain on disposal of assets of $0.9 million was recognized for the year ended December 31, 2018 primarily due to proceeds received through an insurance claim for equipment damaged from mining operations during fiscal 2017.

Gain on derivative instruments of $0.9 million was recognized for the year ended December 31, 2018 primarily due to the gains recognized from foreign exchange and commodity forward contracts related to by-product metal production during the year.

Write-down of assets increased by $3.6 million from $0.2 million for the year ended December 31, 2017 to $3.8 million for the year ended December 31, 2018. The increase is primarily due to a write-down of the San Felipe property purchase option and its classification as an asset held-for-sale at the end of the year.

Contingency on value added taxes of $1.0 million was accrued for the year ended December 31, 2018 due to a probable obligation for the disallowance of value added taxes associated with a 2010 Mexican tax reassessment.

Income tax expense increased by $1.1 million from a $0.4 million recovery for the year ended December 31, 2017 to a $0.7 million expense for the year ended December 31, 2018. The increase is primarily due to current and deferred income taxes recognized on a 7.5% mining royalty from the Cosalá Operations for the Mexican government .

Analysis of the three months ended December 31, 2018 vs. the three months ended December 31, 2017

The Company recorded a net loss of $6.8 million for the three months ended December 31, 2018 compared to net loss of $1.4 million for the three months ended December 31, 2017. The increase in net loss was primarily attributable to higher cost of sales from increased production ($4.5 million), higher depletion and amortization ($2.6 million), transaction costs ($0.9 million), higher write-down of assets ($3.5 million), contingency on value added taxes ($0.9 million), and higher income tax expense ($1.2 million), partially offset by higher net revenue from increased silver equivalent production at lower realized prices ($6.8 million), each of which are described in more detail below.

Revenues increased by $6.8 million from $12.1 million for the three months ended December 31, 2017 to $18.9 million for the three months ended December 31, 2018. The increase is primarily due to an increase in zinc and lead revenues of approximately $7.9 million from the San Rafael mine during the period compared to Q4-2017 when production was winding down at the lower-grade Nuestra Señora mine, less $1.1 million in decreased revenues due to a decrease in silver and lead production and sales at the Galena Complex during the period. Revenue was impacted by positive provisional pricing adjustments of $0.7 million (2017 – negative $0.8 million) during the quarter.

Cost of Sales increased by $4.5 million from $9.7 million for the three months ended December 31, 2017 to $14.2 million for the three months ended December 31, 2018. The increase is primarily due to the timing of commercial production at San Rafael in December 2017. Until commercial production, development costs and any pre-production revenues were capitalized to fixed assets instead of expensed as cost of sales. In Q4-2017, Nuestra Señora was still operating though with lower levels of mining activity as the mine wound down operations toward closure.

Depletion and amortization increased by $2.6 million from $0.9 million for the three months ended December 31, 2017 to $3.5 million for the three months ended December 31, 2018. The increase is primarily due to declaration of San Rafael commercial production in December 2017 resulting in the depletion of its mining interests during the full quarter. With this declaration, the Company transferred $6.4 million of deferred development costs and $25.2 million of historical carrying value related to San Rafael to mining interests and began amortizing these costs based on the Company's depletion and amortization policies.

Transaction costs of $0.9 million were incurred for the three months ended December 31, 2018 primarily related to the Pershing Gold Acquisition.

Write-down of assets increased by $3.5 million from $0.2 million for the three months ended December 31, 2017 to $3.7 million for the three months ended December 31, 2018. The increase is primarily due to a write-down of the San Felipe property purchase option classified as an asset held-for-sale at the end of the quarter.

Contingency on value added taxes of $0.9 million was accrued for the three months ended December 31, 2018 due to a probable obligation for the disallowance of value added taxes related to a Mexican tax reassessment.

Income tax expense increased by $1.2 million from a $0.5 million recovery for the three months ended December 31, 2017 to a $0.7 million expense for the three months ended December 31, 2018. The increase is primarily due to current and deferred income taxes recognized on a 7.5% mining royalty from the Cosalá Operations for the Mexican government .

Selected Annual Financial Information

Fiscal Year Ended December 31	2018	2017	2016
Revenues ($ M)	$ 68.4	$ 54.3	$ 58.9
Net Loss ($ M)	(10.7)	(3.5)	(5.2)
Comprehensive Loss ($ M)	(9.9)	(4.3)	(4.7)
Net Loss per Common Share - Basic and Diluted	$ (0.25)	$ (0.09)	$ (0.15)
Silver Produced (oz)	1,417,537	2,056,017	2,389,808
Zinc Produced (lbs)	34,219,472	11,623,138	10,488,773
Lead Produced (lbs)	30,466,799	25,392,619	29,067,673
Copper Produced (lbs)	-	1,167,401	1,058,250
Cost of Sales/Ag Eq Oz Produced ($/oz)	$ 8.29	$ 10.13	$ 9.86
Cash Cost/Ag Oz Produced ($/oz) [1]	$ (0.63)	$ 9.45	$ 10.00
All-In Sustaining Cost/Ag Oz Produced ($/oz) [1]	$ 9.80	$ 13.29	$ 12.71
Cash ($ M)	$ 3.5	$ 9.3	$ 24.1
Receivables ($ M)	7.7	6.6	4.0
Inventories ($ M)	8.1	9.4	6.6
Property, Plant and Equipment ($ M)	$ 96.3	$ 100.3	$ 80.5
Current Assets ($ M)	$ 29.4	$ 26.2	$ 36.6
Current Liabilities ($ M)	23.0	14.4	16.5
Working Capital ($ M)	6.4	11.8	20.1
Total Assets ($ M)	$ 127.2	$ 126.8	$ 117.3
Total Liabilities ($ M)	43.0	38.8	30.1
Total Equity ($ M)	84.2	88.0	87.2

[1] Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaning ost per Ounce" section in this MD&A.

Summary of Quarterly Results

The following table presents a summary of the consolidated operating results for each of the most recent eight quarters ending with December 31, 2018.

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Revenues ($ M)	$ 18.9	$ 11.8	$ 17.3	$ 20.4	$ 12.1	$ 9.8	$ 17.2	$ 15.2
Net Income (Loss) ($ M)	(6.8)	(5.8)	1.4	0.5	(1.4)	(2.8)	0.9	(0.2)
Comprehensive Income (Loss) ($ M)	(6.2)	(5.8)	1.3	0.8	(1.8)	(2.9)	0.8	(0.5)
Silver Produced (oz)	395,294	323,497	301,711	397,035	409,545	564,833	557,892	523,747
Zinc Produced (lbs)	10,223,692	7,906,601	8,756,201	7,332,978	4,895,670	1,433,961	2,904,374	2,389,133
Lead Produced (lbs)	9,088,862	7,536,660	6,216,592	7,624,685	7,427,357	5,369,482	6,435,048	6,160,732
Copper Produced (lbs)	-	-	-	-	78,541	507,285	273,475	308,100
Cost of Sales/Ag Eq Oz Produced ($/oz)	$ 7.87	$ 9.08	$ 8.20	$ 8.14	$ 10.16	$ 9.17	$ 11.00	$ 9.93
Cash Cost/Ag Oz Produced ($/oz)[1]	$ 1.14	$ 4.95	$ (6.15)	$ (2.73)	$ 8.75	$ 12.61	$ 7.21	$ 9.89
All-In Sustaining Cost/Ag Oz Produced ($/oz)[1]	$ 11.78	$ 15.94	$ 5.40	$ 6.17	$ 14.20	$ 15.92	$ 10.65	$ 13.37
Current Assets (qtr. end) ($ M)	$ 29.4	$ 19.0	$ 25.8	$ 25.8	$ 26.2	$ 27.0	$ 29.9	$ 36.0
Current Liabilities (qtr. end) ($ M)	23.0	15.8	13.7	14.9	14.4	12.1	11.6	11.1
Working Capital (qtr. end) ($ M)	6.4	3.2	12.1	10.9	11.8	14.9	18.3	24.9
Total Assets (qtr. end) ($ M)	$ 127.2	$ 125.8	$ 130.5	$ 128.8	$ 126.8	$ 126.1	$ 127.7	$ 127.1
Total Liabilities (qtr. end) ($ M)	43.0	36.1	35.6	38.3	38.8	38.6	38.6	39.1
Total Equity (qtr. end) ($ M)	84.2	89.7	94.9	90.5	88.0	87.5	89.1	88.0

[1] Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaning ost per Ounce" section in this MD&A.

Liquidity

The change in cash since December 31, 2017 can be summarized as follows (in millions of U.S. dollars):

Opening cash balance as at December 31, 2017	$ 9.3
Cash generated from operations	7.0
Expenditures on property, plant and equipment	(14.9)
Purchase of San Felipe property option	(2.0)
Bond on decommissioning costs	(0.4)
Repayments to pre-payment facility	(3.9)
Net financing from convertible loans	2.4
Proceeds from exercise of options and warrants	3.9
Increase in trade and other receivables	(1.0)
Change in inventories	1.2
Increase in prepaid expenses	(0.3)
Increase in trade and other payables	2.2
Closing cash balance as at December 31, 2018	$ 3.5

The Company's cash balance decreased from $9.3 million to $3.5 million mainly due to $2.7 million on expensed exploration at the Company's operations, expenditures of property, plant and equipment at both Cosalá Operations and Galena Complex, option payments on the San Felipe property, and repayments on outstanding pre-payment facility with Glencore, offset by proceeds received from exercise of options and warrants and net financing from convertible loans. Current liabilities as at December 31, 2018 were $23.0 million which is $8.6 million higher than at December 31, 2017 due to a $3.9 million increase in trade and other payables, $3.0 million convertible loans payable, and a $1.6 million increase in repayment obligations within one year on the outstanding pre-payment facility.

The Company operates in a cyclical industry where cash flow has historically been correlated to market prices for commodities. The Company's cash flow is dependent upon its ability to achieve profitable operations, obtain adequate equity or debt financing, or, alternatively, dispose its non-core properties on an advantageous basis to fund its near-term operations, development and exploration plans, while meeting production targets at current commodity price levels. Management evaluates viable financing alternatives to ensure sufficient liquidity including debt instruments, concentrate offtake agreements, sales of non-core assets, private equity financing, sale of royalties on its properties, metal streaming arrangements, and the issuance of equity. The Company believes that it has sufficient cash flow to fund its 2019 operations and development and exploration plans while meeting production targets at current commodity price levels. In the longer term, as the Cosalá Operations and Galena Complex are optimized and the outlook for silver, zinc, and lead prices remain positive, the Company believes that cash flows will be sufficient to fund ongoing operations.

The Company's financial instruments consist of cash, trade receivables, restricted cash, long-term investments, trade and other payables, credit facilities, and other long-term liabilities. The fair value of these financial instruments approximates their carrying values, unless otherwise noted. The Company is not exposed to significant interest or credit risk arising from financial instruments. The majority of the funds of the Company are held in accounts at major banks in Canada, Mexico and the United States.

The Company's liquidity has been, and will continue to be, impacted by pension funding commitments as required by the terms of the defined benefit pension plans offered to both its hourly and salaried workers (See note 12 in the audited consolidated financial statements of the Company and the notes thereto for the year ended December 31, 2018). Although both pension plans are under-funded due to actuarial losses incurred from market conditions and changes in discount rates, the Company intends to fund to the minimum levels required by applicable law. The Company currently estimates total annual funding requirements for both Galena Complex pension plans to be approximately $0.7 million per year for each of the next 5 years.

Capital Resources

The Company's cash flow is dependent on delivery of its concentrates to market. The Company's contracts with the concentrate purchasers provide for provisional payments based on timing of concentrate deliveries. The Company has not had any problems collecting payments from concentrate purchasers in a reliable and timely manner and expects no such difficulties in the foreseeable future. However, this cash flow is dependent on continued mine production which can be subject to interruption for various reasons including fluctuations in metal prices and concentrate shipment difficulties. Additionally, unforeseen cessation in the counterparty's capabilities could severely impact the Company's capital resources.

The Company made capital expenditures of $17.2 million in 2018 and $26.7 million for the same period of 2017, of which $9.4 million was spent towards drilling and underground development costs, while $7.8 million was spent on purchase of property, plant and equipment. The Company expects funding of fiscal 2019 capital expenditures to be provided from internally-generated, operating cash flow from the San Rafael mine.

The following table sets out the Company's contractual obligations as of December 31, 2018:

	Total	Less than 1 year	2-3 years	4-5 years	Over 5 years
Trade and other payables	$ 14,345	$ 14,345	$ -	$ -	$ -
Pre-payment facility	11,110	5,610	5,500	-	-
Interest on pre-payment facility	863	639	224	-	-
Convertible loans	4,032	4,032	-	-	-
Interest on convertible loans	300	300	-	-	-
Operating leases	1,055	261	505	289	-
Other long-term liabilities	689	-	212	-	477
Total	$ 32,394	$ 25,187	$ 6,441	$ 289	$ 477

1 - All leases can be cancelled upon proper notice periods by the Company.

2 - Certain of these estimates are dependent on market conditions and assumed rates of return on assets. Therefore, the estimated obligation of the Company may vary over time.

Off-Balance Sheet Arrangements

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

Transactions with Related Parties

There were no related party transactions for the year ended December 31, 2018.

Risk Factors

The business of the Company is subject to a substantial number of risks and uncertainties. In addition to considering the information disclosed in the financial statements and in the other publicly filed documentation regarding the Company available at www.sedar.com, the reader should carefully consider the following information. Any of these risk elements could have material adverse effects on the business of the Company. See "Note 20 – Financial Risk Management" of the Company's audited consolidated financial statements for the year ended December 31, 2018.

Risks Associated with Market Fluctuations in Commodity Prices

The majority of the Company's revenue is derived from the sale of silver, zinc, lead and copper contained in concentrates. Fluctuations in the prices of these commodities represent one of the most significant factors affecting the Company's results of operations and profitability. If the Company experiences low silver, zinc, lead and copper prices, it may result in decreased revenues and decreased net income, or losses, and may negatively affect the Company's business.

The market price for silver, zinc, lead and copper continues to be volatile and is influenced by a number of factors, including, among others, levels of supply and demand, global or regional consumptive patterns, sales by government holders, metal stock levels maintained by producers and others, increased production due to new mine developments, improved mining and production methods, speculative trading activities, inventory carrying costs, availability and costs of metal substitutes, international economic and political conditions, interest rates and the relative exchange rate of the U.S. dollar with other major currencies. The aggregate effect of such factors (all of which are beyond the control of the Company) is impossible to predict with any degree of accuracy, and as such, the Company can provide no assurances that it can effectively manage such factors. In addition, the price of silver, for example, has on occasion been subject to very rapid short-term changes due to speculative activities. Fluctuations in silver and other commodity prices may materially adversely affect the Company's financial performance or results of operations. The world market price of commodities has fluctuated during the last several years. Declining market prices for silver and other metals could have a material adverse effect on the Company's results of operations and profitability. If the market price of silver and other commodities falls significantly from its current levels, the operation of the Company's properties may be rendered uneconomic and such operation and exploitation may be suspended or delayed.

In particular, if applicable commodity prices are depressed for a sustained period and net losses accumulate, the Company may be forced to suspend some or all of its mining until the price increases, and record asset impairment write-downs. Any lost revenues, continued or increased net losses, or asset impairment write-downs would adversely affect the Company's results of operations.

The Company is Dependent on the Success of the San Rafael project at its Cosalá Operations and the Galena Complex which are both exposed to Operational Risks

The principal mineral projects of the Company are the San Rafael project at its Cosalá Operations and the Galena Complex. The Company is primarily dependent upon the success of these properties as sources of future revenue and profits. Commercial production and operations at San Rafael will require the commitment of resources for operating expenses and capital expenditures, which may increase subsequently as needed, and for consultants, personnel and equipment associated primarily with commercial production. In addition, the Company's other mining operations, exploration and development will require the commitment of additional resources for operating expenses and capital expenditures, which may increase subsequently as needed, and for consultants, personnel and equipment associated with advancing exploration, development and commercial production. The amounts and timing of expenditures will depend on, among other things, the results of commercial production, the progress of ongoing exploration and development, the results of consultants' analysis and recommendations and other factors, many of which are beyond the Company's control.

Substantial risks are associated with mining and milling operations. The Company's commercial operations are subject to all the usual hazards and risks normally encountered in the exploration, development and production of silver, zinc, lead and copper, including, among other things: unusual and unexpected geologic formations, inclement weather conditions, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, catastrophic damage to property or loss of life, labour disruptions, equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and legal liability. The Company will take appropriate precautions as are applicable to similar mining operations and in accordance with general industry standards to help mitigate such risks. However, the Company can provide no assurances that its precautions will actually succeed in mitigating, or even reducing the scope of potential exposure to, such operational risks.

Substantial efforts and compliance with regulatory requirements are required to establish mineral reserves through drilling and analysis, to develop metallurgical processes to extract metal and, in the case of development properties, to develop and construct the mining and processing facilities and infrastructure at any site chosen for mining. Shareholders cannot be assured that any reserves or mineralized material acquired or discovered will be in sufficient quantities to justify commercial operations.

There can be no certainty that the Company's exploration, development and production activities will be commercially successful.

Mineral Reserves and Resources, Development and Production

The estimation of ore reserves is imprecise and depends upon a number of subjective factors. Estimated ore reserves or production guidance may not be realized in actual production. The Company's operating results may be negatively affected by inaccurate estimates. Reserve estimates are a function of geological and engineering analyses that require the Company to make assumptions about production costs and the market price of silver and other metals. Reserve estimation is based on available data, which may be incomplete, and subject to engineering and geological interpretation, judgment and experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates may render ore reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the ore reserves, such as the need for orderly development of the ore bodies and the processing of new or different ore grades may cause a mining operation to be unprofitable in any particular accounting period. Should the Company encounter mineralization or geologic formations at any of its mines different from those predicted adjustments of reserve estimates might occur, which could alter mining plans. Either of these alternatives may adversely affect the Company's actual production and operating results.

The mineral reserve and resource estimates contained or incorporated are only estimates and no assurance can be given that any particular level of recovery of minerals will be realized or that an identified reserve or resource will qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. The Company relies on laboratory-based recovery models and historical performance of its processing plant to project estimated ultimate recoveries by ore type at optimal grind sizes. Actual recoveries in a commercial mining operation may exceed or fall short of projected laboratory test results. In addition, the grade of mineralization ultimately mined may differ from the one indicated by the drilling results and the difference may be material. There can be no assurance that minerals recovered in small scale laboratory tests will be duplicated in large scale tests under on-site conditions or in production scale operations and there can be no assurance that historical performance of the process plant will continue in the future. Material changes, inaccuracies or reductions in proven and probable reserves or resource estimates, grades, waste-to-ore ratios or recovery rates could have a materially adverse impact on the Company's future operations, cash flows, earnings, results of operations, financial condition and the economic viability of projects. The estimated proven and probable reserves and resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations.

The Company has engaged internal and expert independent technical consultants to advise it on, among other things, mineral resources and reserves, geotechnical, metallurgy and project engineering. The Company believes that these experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. If, however, the work conducted by, and the mineral resource and reserve estimates of these experts are ultimately found to be incorrect or inadequate in any material respect, such events could materially and adversely affect the Company's future operations, cash flows, earnings, results of operations, financial condition and the economic viability of its projects.

The Company's ability to sustain or increase present production levels depends in part on successful exploration and development of new ore bodies and/or expansion of existing mining operations. Forecasts of future production are estimates based on interpretation and assumptions and actual production may be less than estimated. Mineral exploration involves many risks and is frequently unproductive. If mineralization is discovered, it may take a number of years until production is possible, during which time the economic viability of the project may change. Substantial expenditures are required to establish ore reserves, extract metals from ores and, in the case of new properties, to construct mining and processing facilities and infrastructure at any site chosen for mining. The economic feasibility of any development project is based upon, among other things, estimates of the size and grade of ore reserves, proximity to infrastructures and other resources (such as water and power), metallurgical recoveries, production rates and capital and operating costs of such development projects, and metals prices. Development projects are also subject to the completion of positive technical and economic studies, issuance of necessary permits and receipt of adequate financing, which may be difficult to obtain on terms reasonably acceptable to the Company.

The Company's future silver, zinc, lead and copper production may decline as a result of an exhaustion of reserves and possible closure of work areas. It is the Company's business strategy to conduct silver exploration activities at the Company's existing mining operations as well as at new exploration projects, and to acquire other mining properties and businesses or reserves that possess mineable ore reserves and are expected to become operational in the near future. However, the Company can provide no assurance that its future production will not decline. Accordingly, the Company's revenues from the sale of concentrates may decline, which may have a material adverse effect on its results of operations.

Global Financial and Economic Conditions

The re-emergence of a global financial crisis or recession or reduced economic activity in the United States, China, India and other industrialized or developing countries, or disruption of key sectors of the economy such as oil and gas, may have a significant effect on the Company's results of operations or may limit its ability to raise capital through credit and equity markets. The prices of the metals that the Company produces are affected by a number of factors, and it is unknown how these factors may be impacted by a global financial event or developments impacting major industrial or developing countries. Additionally, global economic conditions may cause a long-term decrease in asset values. If such global volatility and market uncertainty were to continue, the Company's operations and financial condition could be adversely impacted.

Government Regulation and Environmental Compliance

The Company is subject to significant governmental regulations, and costs and delays related to such regulations may have a material adverse effect on the Company's business.

The Company's mining activities are subject to extensive federal, state, local and foreign laws and regulations governing environmental protection, natural resources, prospecting, development, production, post-closure reclamation, taxes, labour standards and occupational health and safety laws and regulations including mine safety, toxic substances and other matters related to the Company's business. The costs associated with compliance with such laws and regulations could be substantial. Possible future laws and regulations, or more restrictive interpretations of current laws and regulations by governmental authorities could cause additional expense, capital expenditures, restrictions on or suspensions of the Company's operations and delays in the development of the Company's properties. Moreover, governmental authorities and private parties may bring lawsuits based upon damage to property and injury to persons resulting from the environmental, health and safety impacts of the Company's past and current operations, which could lead to the imposition of substantial fines, penalties and other civil and criminal sanctions. Substantial costs and liabilities, including for restoring the environment after the closure of mines, are inherent in the Company's operations. The Company is often required to post surety bonds or cash collateral to secure its reclamation obligations and may be unable to obtain the required surety bonds or may not have the resources to provide cash collateral, and the bonds or collateral may not fully cover the cost of reclamation and any such shortfall could have a material adverse impact on its financial condition. Although the Company believes it is in substantial compliance with applicable laws and regulations, the Company can give no assurance that any such law, regulation, enforcement or private claim will not have a material adverse effect on the Company's business, financial condition or results of operations.

In the United States, some of the Company's mining wastes are currently exempt to a limited extent from the extensive set of federal Environmental Protection Agency (the "EPA") regulations governing hazardous waste under the *Resource Conservation and Recovery Act* (the "RCRA"). If the exemption is altered and these wastes are designated as hazardous under the RCRA, the Company would be required to expend additional amounts on the handling of such wastes and may be required to make significant expenditures to construct or modify facilities for managing these wastes. In addition, releases of hazardous substances from a mining facility causing contamination in or damage to the environment may result in liability under the *Comprehensive Environmental Response, Compensation and Liability Act* (the "CERCLA"). Under the CERCLA, the Company may be jointly and severally liable for contamination at or originating from its facilities. Liability under the CERCLA may require the Company to undertake extensive remedial clean-up action or to pay for the government's clean-up efforts. It can also lead to liability to state and tribal governments for natural resource damages. Additional regulations or requirements are also imposed upon the Company's operations in Idaho under the federal *Clean Water Act* (the "CWA"). Airborne emissions are subject to controls under air pollution statutes implementing the *Clean Air Act* in Idaho. Compliance with the CERCLA, the CWA and state environmental laws could entail significant costs, which could have a material adverse effect on the Company's operations.

The Company's mining operations are subject to regulations promulgated by government agencies from time to time. Specifically, the Company's activities at the Galena Complex are subject to regulation by the U.S. Department of Labor's Mine Safety and Health Administration and related regulations under applicable legislation and the Company's activities at the Cosalá Operations projects are subject to regulation by SEMARNAT (defined below), the environmental protection agency of Mexico. Such regulations can result in citations and orders which can entail significant costs or production interruptions and have an adverse impact on the Company's operations and profitability. SEMARNAT regulations require that an environmental impact statement, known in Mexico as MIA, be prepared by a third-party contractor for submittal to SEMARNAT. Studies required to support the MIA include a detailed analysis of the following areas: soil, water, vegetation, wildlife, cultural resources and socio-economic impacts. The Company must also provide proof of local community support for a project to gain final approval of the MIA.

In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and regulations, which involve significant costs and can entail significant delays. Such costs and delays could have an adverse impact on the Company's operations.

In the ordinary course of business, the Company is required to obtain or renew governmental permits for the operation and expansion of existing mining operations or for the development, construction and commencement of new mining operations. Obtaining or renewing the necessary governmental permits is a complex and time-consuming process involving numerous jurisdictions, which often involves public hearings and costly undertakings. The duration and success of the Company's efforts to obtain or renew permits are contingent upon many variables not within its control including the interpretation of applicable requirements implemented by the permitting authority. The Company's ability to obtain, maintain and renew permits and approvals and to successfully develop and operate mines may be adversely affected by real or perceived impacts associated with the Company's activities or those of other mining companies that affect the environment, human health and safety. Interested parties including governmental agencies and non-governmental organizations or civic groups may seek to prevent issuance of permits and intervene in the process or pursue extensive appeal rights. Past or ongoing violations of laws or regulations involving obtaining or complying with permits could provide a basis to revoke existing permits, deny the issuance of additional permits, or commence a regulatory enforcement action, each of which could have a material adverse impact on the Company's operations or financial condition. The Company may not be able to obtain or renew permits that are necessary to its operations, or the cost to obtain or renew permits may exceed what the Company believes it can recover from the property once in production. Any unexpected delays or costs associated with the permitting process could delay the development or impede the operation of a mine, which could have a material adverse effect on the Company's operations and profitability.

Legislative and regulatory measures to address climate change and greenhouse gas emissions are in various phases of consideration. If adopted, such measures could increase the Company's cost of environmental compliance and also delay or otherwise negatively affect efforts to obtain permits and other regulatory approvals with regard to existing and new facilities. Proposed measures could also result in increased cost of fuel and other consumables used at the Company's operations. Climate change legislation or regulation may affect the Company's customers and the market for the metals it produces with effects on prices that are not possible to predict. Adoption of these or similar new environmental regulations or more stringent application of existing regulations may materially increase the Company's costs, threaten certain operating activities and constrain its expansion opportunities.

Mining Property and Title Risks

Third parties may dispute the Company's mining claims, which could result in losses affecting the Company's business. The validity of unpatented mining claims, which constitute a significant portion of the Company's property holdings in Idaho, is often uncertain and may be contested. Although the Company has attempted to acquire satisfactory title to undeveloped properties, the Company, in accordance with mining industry practice, does not generally obtain title opinions until a decision is made to develop a property. As a result, some titles, particularly titles to undeveloped properties, may be defective. Defective title to any of the Company's mining claims could result in litigation, insurance claims, and potential losses affecting the Company's business.

The validity of mining or exploration titles or claims, which constitute most of the Company's property holdings, can be uncertain and may be contested. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims and that such exploration and mining titles or claims, will not be challenged or impugned by third parties. The Company has not conducted surveys of all the claims in which it holds direct or indirect interests and therefore, the precise area and location of such claims may be in doubt. The Company's properties may be subject to prior unregistered liens, agreements or transfers, native land claims or undetected title defects.

Surface Rights and Access

The Company has reached various agreements for surface rights and access with certain local groups, including ejidos for mining exploitation activities, including open pit mining, in the project area of Cosalá Norte. In addition, the Company currently has formal agreements for surface access with all ejidos on whose land its exploration activities are being performed. These agreements are valid for several years and are regularly reviewed in terms of the appropriate level of compensation for the level of work being carried out. The Nuestra Señora process facility is located on land previously purchased by the Company and is not exposed to disruptions by third party ownership claims.

For future activities, the Company will need to negotiate with ejido and non-ejido members, as a group and individually, to reach agreements for additional access and surface rights. Negotiations with ejidos can become time-consuming if demands for compensation become unreasonable. There can be no guarantee that the Company will be able to negotiate satisfactory agreements with any such existing members for such access and surface rights, and therefore it may be unable to carry out planned mining activities. In addition, in circumstances where access is denied, or no agreement can be reached, the Company may need to rely on the assistance of local officials or the courts in such jurisdiction, the outcomes of which cannot be predicted with any certainty. The inability of the Company to secure surface access or purchase required surface rights could materially and adversely affect the timing, cost or overall ability of the Company to develop any mineral deposits it may locate.

Labour Relations, Employee Recruitment, Retention and Pension Funding

The Company may experience labour disputes, work stoppages or other disruptions in production that could adversely affect its operations. The Company is dependent on its workforce at its material producing properties and mills. The Company endeavours to maintain good relations with its workforce in order to minimize the possibility of strikes, lock-outs and other stoppages at the site. Relations between the Company and its employees may be impacted by changes in labour relations which may be introduced by, among other things, employee groups, competing labour unions, and the relevant governmental authorities in whose jurisdictions the Company carries on business. Many of the Company's employees at its operations are represented by a labour union under a collective labour agreement. The Company may not be able to satisfactorily renegotiate the collective labour agreement when it expires. In addition, the existing labour agreement may not prevent a strike or work stoppage at the Company's facilities in the future, and any such work stoppage could have a material adverse effect on its earnings. A subsidiary of the Company is party, with the United Steel Workers Union, to a collective bargaining agreement that covers all of the hourly employees at the Galena Complex with a term from June 29, 2014 to June 28, 2017. The parties have been in negotiations since June 2017 and in December, the Company issued its "last, best and final offer". A failure to come to an agreement could impact the operations at the Galena Complex if there was a labour action that results in an interruption of operations.

The Company also hires its employees or consultants in Mexico to assist it in conducting its operations in accordance with Mexican laws. The Company also purchases certain supplies and retains the services of various companies in Mexico to meet its business plans. It may be difficult to find or hire qualified people in the mining industry who are situated in Mexico or to obtain all the necessary services or expertise in Mexico or to conduct operations on its projects at reasonable rates. If qualified people and services or expertise cannot be obtained in Mexico, the Company may need to seek and obtain those services from people located outside Mexico, which will require work permits and compliance with applicable laws and could result in delays and higher costs to the Company to conduct its operations in Mexico. Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key executive, financial, operational, administrative and mining personnel. Although the Company believes that it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such success. If the Company is not successful in attracting and training qualified personnel, the efficiency of its operations could be affected, which could have a material adverse effect on the Company's results of operations and profitability. The Company strongly depends on the business and technical expertise of its small group of management and key personnel. There is little possibility that this dependence will decrease in the near term. Key man life insurance is not in place on management and key personnel. If the services of the Company's management and key personnel were lost, it could have a material adverse effect on future operations.

The volatility in the equity markets over the last several years and other financial impacts have affected the Company's costs and liquidity through increased requirements to fund the Company's defined benefit pension plans for its employees. There can be no assurance that financial markets will sufficiently recover in the future with the effect of causing a corresponding reduction in the Company's future pension funding requirements. Furthermore, there can be no assurance that unforeseen changes in pensioner longevity, government regulation or other financial market uncertainties will not cause pension funding requirements to differ from the requirements projected by professional actuaries. The Company intends to continue to fund its pension plan for hourly and salary employees of the Company pursuant to all relevant regulatory requirements.

Some of the Company's Material Properties are Located in Mexico and are Subject to Changes in Political and Economic Conditions and Regulations in that Country

In the past, Mexico has been subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities. The Company's operations and properties are subject to a variety of governmental regulations including, among others: regulations promulgated by the Mexican Department of Economy – Dirección General de Minas, Mexico's Secretary of Environment and Natural Resources ("SEMARNAT"); the Mexican Mining Law; and the regulations of the Comisión Nacional del Aqua with respect to water rights. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. The Company's mineral exploration and mining activities in Mexico may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to the Company's activities or maintenance of its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. Mexico's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects. The Mexican Government is conducting a highly publicized crackdown on the drug cartels, resulting in a loss of lives. The operation has been unaffected by the conflict and is unlikely to be in the future. However, if the government's actions lead to civil unrest, the situation could change.

The Company is uncertain if all necessary permits will be maintained on acceptable terms or in a timely manner. Future changes in applicable laws and regulations or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on its Cosalá District properties, or in any other projects that the Company becomes involved with. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties or other liabilities.

Community and Social

The Company's relationship with the communities where it operates is critical to ensuring the future success of project development and future operations. Globally, there is an increasing level of public concern relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. There is no assurance that the Company will be able to appropriately manage community relations in a manner that will allow the Company to proceed with its plans to develop and operate its properties.

Certain non-governmental organizations, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices. Actions by such organizations could adversely affect the Company's reputation and financial condition and may impact its relationship with the communities in which it operates. These actions can relate not only to current activities but also historic mining activities by prior owners and could have a material, adverse effect on the Company. They may also file complaints with regulators and others. Such complaints, regardless of whether they have any substance or basis in fact or law, may have the effect of undermining the confidence of the public or a regulator and may adversely affect the Company.

Substantially all of the Company's Assets are Located Outside of Canada and this could have an Impact on Enforcement of Civil Liabilities Obtained in Canadian or U.S. Courts

We are a Canadian company. Some of our directors and executive officers live outside the United States. Some of the assets of our directors and executive officers and some of our assets are located outside the United States. As a result, it may be difficult or impossible to serve process on us or on such persons in the United States or to obtain or enforce judgments obtained in United States courts or Canadian courts against them or us based on the civil liability provisions of the federal securities laws of the United States. There is doubt as to whether Canadian courts would enforce the civil liability claims brought under United States federal securities laws in original actions and/or enforce claims for punitive damages. A final judgment for a liquidated sum in favour of a private litigant granted by a United States court and predicated solely upon civil liability under United States federal securities laws would, subject to certain exceptions identified in the law of individual provinces of Canada, likely be enforceable in Canada if the United States court in which the judgment was obtained had a basis for jurisdiction in the matter that would be recognized by the domestic Canadian court for the same purposes. There is a significant risk that a given Canadian court may not have jurisdiction or may decline jurisdiction over a claim based solely upon United States federal securities law on application of the conflict of laws principles of the province in Canada in which the claim is brought.

The Company is Subject to Currency Fluctuations that may Adversely Affect the Financial Position of the Company

One of the Company's primary operations is located in Mexico and many of its expenditures and obligations are denominated in Mexican pesos. The Company maintains its principal office and raises its equity financings in Canada, maintains cash accounts in both U.S. dollars and Canadian dollars and has monetary assets and liabilities in Canadian dollars and Mexican pesos. As such, the Company's results of operations are subject to foreign currency fluctuation risks and such fluctuations may adversely affect the financial position and results of the Company. The Company may, from time to time, employ derivative financial instruments to manage exposure to fluctuations in foreign currency exchange rates.

Financing Risks

Should financing be sought in the future, there can be no assurances that the Company will be able to obtain adequate funding or that the terms of such financing will be favourable. In the event that cash flow from operations is insufficient, failure to obtain additional financing could result in delay or indefinite postponement of further exploration and development of its projects and the possible loss of such properties. The Company has a limited history of earnings, has never paid a dividend, and does not anticipate paying dividends in the near future.

Risks Associated with Outstanding Debt

The Company's ability to make scheduled payments of interest and principal on its outstanding indebtedness or refinance its debt obligations depends on its financial and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond its control. There can be no assurance that the Company will generate sufficient cash flow from operating activities to make its scheduled repayments of principal, interest, and any applicable premiums.

The Company may be forced to pursue strategic alternatives such as reduce or delay capital expenditures, sell assets or operations, see additional capital or restructure or refinance its indebtedness. No assurances can be made that the Company would be able to take any of these actions, that these actions would be successful, or that these actions would be permitted under the terms of existing or future debt agreements.

If the Company cannot make scheduled payments on its debt, or comply with its covenants, it will be in default of such indebtedness and, as a result (i) holders of such debt could declare all outstanding principal and interest to be due and payable, (ii) the lenders under the credit facilities could terminate their commitments to lend the Company money, and (iii) the holders of the Company's secured debt could realize upon the security to the borrowings.

The Company May Engage in Hedging Activities

From time to time, the Company may use certain derivative products to hedge or manage the risks associated with changes in the of prices zinc, lead, copper and the Mexican Peso. The use of derivative instruments involves certain inherent risks including, among other things: (i) credit risk – the risk of an unexpected loss arising if a counterparty with which the Company has entered into transactions fails to meet its contractual obligations; (ii) market liquidity risk – the risk that the Company has entered into a derivative position that cannot be closed out quickly, by either liquidating such derivative instrument or by establishing an offsetting position; (iii) unrealized mark-to-market risk – the risk that, in respect of certain derivative products, an adverse change in market prices for commodities, currencies or interest rates will result in the Company incurring an unrealized mark-to-market loss in respect of such derivative products.

There is no assurance that any hedging program or transactions which may be adopted or utilized by the Company designed to reduce the risk associated with changes price will be successful. Although hedging may protect the Company from an adverse price change, it may also prevent the Company from benefiting fully from a positive price change.

The Company May Require Significant Capital Expenditures

Substantial expenditures will be required to maintain, develop and to continue with exploration at the Company properties. In order to explore and develop these projects and properties, the Company may be required to expend significant amounts for, among other things, geological, geochemical and geophysical analysis, drilling, assaying, and, if warranted, mining and infrastructure feasibility studies.

The Company may not benefit from any of these investments if it is unable to identify commercially exploitable mineralized material. If successful in identifying reserves, it will require significant additional capital to construct facilities necessary to extract recoverable metal from those reserves.

The ability of the Company to achieve sufficient cash flows from internal sources and obtain necessary funding depends upon a number of factors, including the state of the worldwide economy and the price of silver, zinc, lead and copper. The Company may not be successful in achieving sufficient cash flows from internal sources and obtaining the required financing for these or other purposes on terms that are favourable to it or at all, in which case its ability to continue operating may be adversely affected. Failure to achieve sufficient cash flows and obtain such additional financing could result in delay or indefinite postponement of further exploration or potential development.

Risks Associated with the Company's Business Objectives

The Company's strategy to create shareholder value through the acquisition, exploration, advancement and development of its mineral properties will be subject to substantive risk. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all. Any partnership or joint venture agreements with respect to mineral properties that the Company enters into will be subject to the typical risks associated with such agreements, including disagreement on how to develop, operate or finance a property and contractual and legal remedies of the Company's partners in the event of such disagreement.

Current holders of Americas Silver will have reduced ownership and voting interests in Americas Silver after the Pershing Gold Acquisition than they currently have.

Based on the number of Americas Silver common shares issued and outstanding, current shareholders of the Company and current holders of Pershing Gold common stock would own approximately 63.5% and 36.5% of Americas Silver common shares, respectively, upon the completion of the Pershing Gold Acquisition, assuming no additional issuances of Americas Silver common shares or shares of Pershing Gold common stock between December 31, 2018 and the effective time of the transaction.

Any delay in completing the Transaction may reduce or eliminate the benefits expected to be achieved thereunder.

The completion of the Pershing Gold Acquisition remains subject to the outstanding CFIUS regulatory clearances, which may continue to prevent, delay, or otherwise materially adversely affect its completion. While the Company expects to ultimately obtain the CFIUS clearance, it is not predicable when and whether this will be obtained. Furthermore, the requirements for obtaining the required clearances and approvals could delay the completion of the Pershing Gold Acquisition for a significant period of time or prevent it from occurring altogether. Any delay in completing the Pershing Gold Acquisition could cause the Company not to realize some or all of the synergies and other benefits that are expected to be achieved if the Pershing Gold Acquisition is successfully completed within its currently expected time frame.

The integration of Americas Silver and Pershing Gold may not occur as planned.

The merger agreement for the Pershing Gold Acquisition was entered into with the expectation that its successful completion will result in increased precious metal production and an enhanced platform for growth for Americas Silver following completion of the transaction. These anticipated benefits will depend in part on whether Americas Silver's and Pershing Gold's operations can be integrated in an efficient and effective manner. The integration of the two companies will present challenges to management, including the integration of systems and personnel of the two companies, and special risks, including possible unanticipated liabilities and unanticipated costs. As a result of these factors, it is possible that the cost reductions and synergies expected from the Pershing Gold Acquisition will not be realized by Americas Silver. In addition, such synergies assume certain realized long-term metals prices and foreign exchange rates. If actual prices are below such assumed prices, the realization of potential synergies could be adversely affected.

Americas Silver may be subject to significant capital requirements and operating risks associated with its expanded operations and its expanded portfolio of growth projects.

Americas Silver must generate sufficient internal cash flows and/or be able to utilize available financing sources to finance its growth and sustaining capital requirements. If Americas Silver does not realize satisfactory prices for the commodities that it produces, it could be required to raise significant additional capital through the capital markets and/or incur significant borrowings to meet its capital requirements. These financing requirements could adversely affect Americas Silver's ability to access the capital markets in the future to meet any external financing requirements Americas Silver might have. If there are significant delays in terms of when any exploration, development and/or expansion projects are completed and producing on a commercial and consistent scale, and/or their capital costs were to be significantly higher than estimated, these events could have a significant adverse effect on Americas Silver's results of operation, cash flow from operations and financial condition. Americas Silver may need additional financing in connection with the implementation of its business and strategic plans from time to time after closing of the Transaction. The exploration and development of mineral properties, including Relief Canyon, and the ongoing operation of mines require a substantial amount of capital and may depend on Americas Silver's ability to obtain financing through joint ventures, debt financing, equity financing or other means. The combined entity may accordingly need further capital depending on exploration, development, production and operational results and market conditions, including the prices at which Americas Silver sells its production, or in order to take advantage of further opportunities or acquisitions. Americas Silver's financial condition, general market conditions, volatile metals markets, volatile interest rates, a claim against Americas Silver, a significant disruption to Americas Silver's business or operations or other factors may make it difficult to secure financing necessary for the expansion of mining activities or to take advantage of opportunities for acquisitions. Further, continuing volatility in the credit markets may affect the ability of Americas Silver, or third parties it seeks to do business with, to access those markets. There is no assurance that Americas Silver will be successful in obtaining required financing as and when needed on acceptable terms, if at all. If Americas Silver raises funding by issuing additional equity securities or securities convertible, exercisable or exchangeable for equity securities, such financing may substantially dilute the interests of the shareholders of Americas Silver and reduce the value of their investment. In addition, Americas Silver's mining operations and processing and related infrastructure facilities are subject to risks normally encountered in the mining and metals industry. Such risks include, without limitation, environmental hazards, industrial accidents, labor disputes, changes in laws, technical difficulties or failures, late delivery of supplies or equipment, unusual or unexpected geological formations or pressures, cave-ins, pit-wall failures, rock falls, unanticipated ground, grade or water conditions, flooding, periodic or extended interruptions due to the unavailability of materials and force majeure Page | 85 events. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining or processing, losses and possible legal liability. Any prolonged downtime or shutdowns at Americas Silver's mining or processing operations could materially adversely affect Americas Silver's business, results of operations, financial condition and liquidity.

Americas Silver's future results will suffer if it does not effectively manage its expanded operations following the Pershing Gold Acquisition.

Following completion of the Pershing Gold Acquisition, the size of Americas Silver's business will increase significantly. Its future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations, and associated increased costs and complexity. There can be no assurances that Americas Silver will be successful following the completion of the Pershing Gold Acquisition.

Competition in the Mining Industry

Competition in the mining sector is intense. Mines have limited lives and as a result, the Company may in the future seek to replace and expand its reserves through the acquisition of new properties. In addition, there is a limited supply of desirable mineral lands available in areas where the Company would consider conducting exploration and/or production activities. Because the Company faces strong competition for new properties from other mining companies, some of which have greater financial resources than it does, the Company may be unable to acquire attractive new mining properties on terms that it considers acceptable. Competition in the mining business for limited sources of capital could adversely affect the Company's ability to acquire and develop suitable mines, developmental projects, producing companies, or properties having significant exploration potential. As a result, there can be no assurance that the Company's acquisition and exploration plans will yield new mineral reserves to replace or expand current mineral reserves.

Concentrate Sales Risks

The Company currently sells its concentrates under offtake contracts with a limited number of counterparties. Based on past practice, and the quality of its concentrates, the Company expects to be able to renew these contracts or find alternative purchasers for its concentrates, however there can be no assurance that the existing contracts will be renewed or replaced on reasonable terms.

The Company frequently sells its concentrates on the basis of receiving a sales advance when the concentrates are delivered, with the advance based on market prices of metals at the time of the advance. Final settlement of the sale is then made later, based on prevailing metals prices at that time. In an environment of volatile metal prices, this can lead to negative cash adjustments, with amounts owing to the purchaser, and such amounts could potentially be substantial. In volatile metal markets, the Company may elect to fix the price of a concentrate sale at the time of initial delivery.

Certain Risks Related to the Ownership of the Company's Common Shares

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, including mineral resource and mining companies and particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual severe fluctuations in price will not occur.

The Company's Common Shares are currently listed on the TSX and the NYSE American. There can be no assurance that an active market for the Common Shares will be sustained.

Additionally, the exercise of stock options and warrants already issued by the Company and the issuance of additional equity securities or convertible debt securities in the future could result in dilution in the equity interests of holders of Common Shares.

Absolute Assurance on Financial Statements

The Company prepares its financial statements in accordance with accounting policies and methods prescribed by International Financial Reporting Standards. In the preparation of financial statements, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, the Company has implemented and continues to analyze its internal control systems for financial reporting. Although the Company believes that its financial reports and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance in that regard.

Conflicts of Interest

Certain of the Company's directors and officers also serve as directors and/or officers of other companies involved in natural resource exploration and development, and consequently there exists the possibility for such directors and officers to have interests that conflict with the Company's interests. Situations may arise in connection with potential investments where the other interests of the Company's directors conflict with its interests. As such, conflicts of interest may arise that may influence these persons in evaluating possible acquisitions or in generally acting on the Company's behalf, as they may pursue opportunities that would then be unavailable to the Company. In the event that the Company's directors are subject to conflicts of interest, there may be a material adverse effect on its business.

Uninsured or Uninsurable Risks

In the course of exploration, development and production of mineral properties, several risks and, in particular, unexpected or unusual geological or operating conditions, may occur. It is not always possible to fully insure against such risks, and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise they could reduce or eliminate any future profitability and result in an increase in costs and a decline in value of the Common Shares.

As of the date of this MD&A, the Company is not insured against environmental risks. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) has not been generally available to companies within the industry. Without such insurance, and if the Company becomes subject to environmental liabilities, the payment of such liabilities would reduce or eliminate its available funds or could exceed the funds the Company has to pay such liabilities and result in bankruptcy. Should the Company be unable to fund fully the remedial cost of an environmental problem, it might be required to enter into interim compliance measures pending completion of the required remedy.

Tax Considerations

Mexico

Corporate profits in Mexico are taxed only by the Federal Government. Previously, there were two federal taxes in Mexico that applied to the Company's operations in Mexico: corporate income tax and a Flat Rate Business Tax ("IETU"). Mexican corporate income tax was 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 as applicable at a corporate income tax rate in Mexico of 30%. The IETU was a cash-based minimum tax that applies in addition to the corporate income tax. The tax was applicable to the taxpayer's net income from the (i) sale of goods; (ii) performance of independent services; and (iii) lease of goods at the rate of 16.5% during 2008, 17% during 2009, 17.5% during 2010, 2011 and 2013.

In late 2013, a new income Tax Law was enacted in Mexico (" Mexican Tax Reform") which became effective January 1, 2014. Key provisions of the Mexican Tax Reform that may affect the Company consist of:

- New 7.5% mining royalty. This royalty is deductible for tax purposes and is calculated as 7.5% of a royalty base which is computed as taxable revenues (except interest and inflationary adjustments), less allowable deductions for income tax purposes (except interest, inflationary adjustment, depreciation and mining fees), less prospecting and exploration expenses for the year;
- New environmental duty of 0.5% of gross income arising from the sale of gold and silver;
- Corporate income tax rate to remain at 30%, eliminating the scheduled reduction to 29% in 2014 and to 28% in 2015;
- Elimination of the IETU;
- Elimination of the option for depreciation of capital assets on an accelerated basis;
- Elimination of 100% deduction on exploration expenses for locating and quantifying new deposits in pre-operating periods. These exploration costs will be amortized on a straight-line basis over 10 years; and
- Reduction of deductibility for various employee fringe benefits; and imposes a 10% withholding tax on dividends distributed to resident individuals or foreign residents (including foreign corporations). According to the Mexico-Canada tax treaty, this dividend withholding tax rate may be reduced to 5%.

The Company has reviewed the 2014 Tax Reform and is challenging the constitutionality of the 7.5% mining royalty, the 0.5% environmental duty, and other aspects of the Reform. The Company currently believes it is in compliance with the new legislation and there is no guarantee it will be successful in its challenges against the Mexican Government.

United States

On December 22, 2017, U.S. tax legislation commonly known as the Tax Cuts and Jobs Act (TCJA) was signed into law, significantly reforming the U.S. Internal Revenue Code. The TCJA, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest, allows for the expensing of capital expenditures, puts into effect the migration from a "worldwide" system of taxation to a territorial system and modifies or repeals many business deductions and credits. The Company continues to examine the impact the TCJA may have on its business. The Company has evaluated the effect of the TCJA on its projection of minimal cash taxes or to its net operating losses. The estimated impact of the TCJA is based on the Company's current knowledge and assumptions and recognized impacts could be materially different from current estimates based on the actual results and its further analysis of the new law. The impact of the TCJA on holders of common shares is uncertain and could be adverse. The Company encourages its shareholders to consult with their own legal and tax advisors with respect to such legislation and the potential tax consequences of investing in common shares.

While the TCJA legislation reduces the federal corporate income tax rate from 35% to 21%, it also introduces "base erosion" rules that may effectively limit the tax deductibility of certain payments made by U.S. entities to non-U.S. affiliates and include additional limitations on deductions attributable to interest expense. The impact of the tax reform may differ due to changes in interpretations and assumptions made along with guidance which may subsequently be issued. At this time, it is not possible to predict the full effect of this legislation on the Company's business and operations.

The Company believes that, pursuant to Section 7874 of the United States Internal Revenue Code of 1986, even though U.S. Silver Corporation ("U.S. Silver") is organized as an Ontario corporation, U.S. Silver will be treated as a U.S. domestic corporation for U.S. federal income tax purposes. As a result, U.S. Silver will be subject to U.S. federal income tax in the same manner as a corporation organized in the U.S. The Company believes that U.S. Silver likely is a United States real property holding corporation, or "USRPHC", as defined for United States federal income tax purposes. If U.S. Silver were classified as a USRPHC, any gain recognized by the Company from the sale or other disposition, including a redemption, of U.S. Silver common shares would be subject to U.S. federal income taxation and the Company would be required to file a United States federal income tax return. In such circumstances, the purchaser of such common shares would be required to withhold from the purchase price paid to the Company an amount equal to 15% of the purchase price and remit such amount to the U.S. Internal Revenue Service. In addition, since, as noted above, U.S. Silver is classified as a U.S. domestic corporation, the gross amount of dividends paid by U.S. Silver to the Company will be subject to U.S. withholding tax at the current rate of 5% under the Canada-United States Convention with Respect to Taxes on Income and on Capital. The Company will only be eligible for foreign tax credits under the Canadian Income Tax Act to the extent it has qualifying income from a source in the U.S. in the year any U.S. tax or withholding tax is paid by or on behalf of the Company in respect of a gain on the sale or other disposition of the U.S. Silver common shares or a dividend paid on such shares. Any gain recognized by the Company from the sale or other disposition, including a redemption, of the common shares of U.S. Silver and dividends received on such shares by the Company will likely not be treated as income sourced in the United States for Canadian income tax purposes.

The Company's Information Technology Systems May Be Vulnerable to Disruption Which Could Place its Systems at Risk from Data Loss, Operational Failure, or Compromise of Confidential Information

The Company rely on various information technology systems, and on third party developers and contractors, in connection with operations, including production, equipment operation and financial support systems. While the Company regularly obtains and develops solutions to monitor the security of its systems, it remains vulnerable to disruption, damage or failure from a variety of sources, including errors by employees or contractors, computer viruses, cyber-attacks including phishing, ransomware, and similar malware, misappropriation of data by outside parties, and various other threats. Techniques used to obtain unauthorized access to or sabotage systems are under continuous and rapid evolution, which may deter efforts to detect disruption of data and systems in advance. Breaches and unauthorized access carry the potential to cause losses of production, operational delays, equipment failure that could cause other risks to be realized, inaccurate recordkeeping, or disclosure of confidential information, any of which could result in financial losses and regulatory or legal exposure, and could have a material adverse effect on the Company's cash flows, financial condition or results of operations.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, receivables, accounts payable and accrued liabilities, other payables, derivative assets and liabilities, and other financial instruments may be held from time to time. These financial instruments are exposed to numerous risks, including, among others, liquidity risk, currency risk, interest rate risk, counterparty risk and credit risk. Many of these risks are outside the Company's control. There is no assurance that the Company will realize the carrying value of any of its financial instruments.

Accessibility and Reliability of Existing Local Infrastructure

The Company's mining, processing, development and exploration activities depend, to some degree, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important considerations, which affect capital and operating costs. 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 exploitation or development of the Company's projects. If adequate infrastructure is not available in a timely manner, the exploitation or development of the Company's projects may not be commenced or completed on a timely basis, if at all. In addition, the resulting operations may not achieve the anticipated production volume, or the construction costs and ongoing operating costs associated with the exploitation and/or development of the Company's advanced projects will be higher than anticipated. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability.

Risks and Uncertainties Related to the Repatriation of Funds from Foreign Subsidiaries

The Company expects to generate cash flow and profits at its foreign subsidiaries, and may need to repatriate funds from those subsidiaries to fulfill its business plans, in particular in relation to ongoing expenditures at its exploration and development assets. The Company may not be able to repatriate funds, or may incur tax payments or other costs when doing so, as a result of a change in applicable law or tax requirements at local subsidiary levels or at the parent level, which costs could be substantial.

Significant Accounting Policies and Estimates

Accounting standards issued but not yet applied

Management is evaluating the impact the adoption of the following new and revised standards and amendments will have on the consolidated financial statements of the Company.

(i) Leases

IFRS 16 - *Leases* - The standard on leases was issued in January 2016 and is effective for annual reporting periods beginning on or after January 1, 2019 for public entities with early adoption permitted, provided IFRS 15 has been applied or is applied at the same date as IFRS 16. The standard requires lessees to recognize assets and liabilities for most leases. The Company is finalizing its assessment and quantifying the impact of this standard and expect increases to assets, liabilities, depreciation and amortization, with decreases to cost of sales on adoption. The modified retrospective approach will be used resulting in no restatement of prior year comparatives.

Significant accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

(i) Reserves and resources

Proven and probable reserves are the economically mineable parts of the Company's measured and indicated mineral resources. The Company estimates its proven and probable reserves and measured and indicated and inferred mineral resources based on information compiled by appropriately qualified persons. The information relating to the geological data on the size, depth and shape of the ore bodies requires complex geological judgments to interpret the data. The estimation of future cash flows related to proven and probable 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, grade and recovery of the ore bodies.

Changes in the proven and probable reserves or measured, indicated and inferred mineral resources estimates may impact the carrying value of mining properties and equipment, depletion and amortization, impairment assessments and the timing of decommissioning provisions.

(ii) Depletion and amortization

Mining properties are depleted using the unit-of-production method over a period not to exceed the estimated life of the ore body based on estimated recoverable reserves.

Property, plant and equipment are depreciated, net of residual value over their estimated useful life but do not exceed the related estimated life of the mine based on estimated recoverable mineral reserves.

The calculation of the units of production rate, and therefore the annual depletion and amortization expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production and expansion of mineral reserves through exploration activities.

Significant judgment is involved in the determination of useful life and residual values for the computation of depletion and amortization. No assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

(iii) Decommissioning provision

The Company assesses its decommissioning provision on an annual basis or when new material information becomes available. Mining and exploration activities are subject to various laws and regulations governing the protection of the environment. In general, these laws and regulations are continually changing and the Company has made, and intends to make in the future, expenditures to comply with such laws and regulations. Accounting for decommissioning provision requires management to make estimates of the time and future costs the Company will incur to complete the rehabilitation work required to comply with existing laws and regulations at each mining operation. Also, future changes to environmental laws and regulations could increase the extent of rehabilitation work required to be performed by the Company. Increases in future costs could materially impact the amounts charged to operations for decommissioning provision. The provision represents management's best estimate of the present value of the future decommissioning provision. The actual future expenditures may differ from the amounts currently provided.

(iv) Share-based payments

The amount expensed for share-based compensation is based on the application of a recognized option valuation formula, which is highly dependent on, amongst other things, the expected volatility of the Company's registered shares, estimated forfeitures, and the expected life of the options. The Company uses an expected volatility rate for its shares based on past stock trading data, adjusted for future expectations, and actual volatility may be significantly different.

The resulting value calculated is not necessarily the value that the holder of the option could receive in an arm's length transaction, given that there is no market for the options and they are not transferable. It is management's view that the value derived is highly subjective and dependent entirely upon the input assumptions made.

(v) Income taxes

Preparation of the consolidated financial statements requires an estimate of income taxes in each of the jurisdictions in which the Company operates. The process involves an estimate of the Company's current tax exposure and an assessment of temporary differences resulting from differing treatment of items, such as depletion and amortization, for tax and accounting purposes, and when they might reverse.

These differences result in deferred tax assets and liabilities that are included in the Company's consolidated statements of financial position.

An assessment is also made to determine the likelihood that the Company's future tax assets will be recovered from future taxable income. To the extent that recovery is not considered likely, the related tax benefits are not recognized.

Judgment is required to continually assess changing tax interpretations, regulations and legislation, to ensure liabilities are complete and to ensure assets, net of valuation allowances, are realizable. The impact of different interpretations and applications could be material.

Financial Instruments

The Company may, from time to time, employ derivative financial instruments to manage exposure to fluctuations in foreign currency exchange rates and commodity prices.

At December 31, 2018, the Company had non-hedge foreign exchange forward contracts to buy approximately 120.0 million MXP at average exchange rate of 20.46 MXP/USD to be settled within the first half of 2019 valued at approximately $5.9 million. The average forward exchange rate on settlement as at December 31, 2018 was approximately 19.96 MXP/USD with the currencies having a fair value of approximately $6.0 million. Accordingly, the Company recorded an unrealized gain of $0.1 million through profit or loss during the year ended December 31, 2018. The Company settled non-hedge foreign exchange forward contracts to buy approximately 122.5 million MXP and recorded realized gains of $0.2 million through profit or loss during the year ended December 31, 2018.

The Company settled non-hedge commodity forward contracts to sell approximately 2.8 million pounds of zinc and 2.6 million pounds of lead and recorded realized gains of $0.2 million and $0.3 million, respectively, through profit or loss during the year ended December 31, 2018.

Capital Structure

The Company is authorized to issue an unlimited number of common shares, where each common share provides the holder with one vote. As at December 31, 2018, there were 43,402,434 common shares issued and outstanding.

As at March 4, 2019, there were 45,391,989 common shares of the Company issued and outstanding and 3,159,993 options outstanding which are exchangeable in common shares of the Company. The number of common shares issuable on the exercise of warrants is 3,321,490.

Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as those terms are defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

The Company's DC&P are designed to ensure that all important information about the Company, including operating and financial activities, is communicated fully, accurately and in a timely way and that they provide the Company with assurance that the financial reporting is accurate.

ICFR means a process by or under the supervision of the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

As at December 31, 2018, the Company's CEO and CFO have certified that the DC&P are effective and that during the year ended December 31, 2018, the Company did not make any material changes in the ICFR that materially affected or are reasonably likely to materially affect the Company's ICFR.

The internal controls are not expected to prevent and detect all misstatements due to error or fraud.

Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce

The Company reports cash cost per ounce and all-in sustaining cost per ounce of silver produced, non-IFRS measures, in accordance with measures widely reported in the silver mining industry as a benchmark for performance measurement. Management uses these measures internally to better assess performance trends and understands that a number of investors, and others who follow the Company's performance, also assess performance in this manner.

These measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning and may differ from methods used by other companies with similar descriptions. The methods do not include depletion, depreciation, exploration or corporate administrative costs and is therefore not directly reconcilable to costs as reported under International Financial Reporting Standards. All-in sustaining cost is the silver mining industry cash cost plus all development, capital expenditures, and exploration spending.

Reconciliation of Consolidated Cash Cost per Ounce

		2018		2017
Cost of sales ('000)	$	52,115	$	40,038
Non-cash costs ('000)[1]		(730)		1,306
Direct mining costs ('000)	$	51,385	$	41,344
Smelting, refining and royalty expenses ('000)		13,856		9,249
Less by-product credits ('000)		(66,130)		(33,952)
Total cash costs ('000)	$	(889)	$	16,641
Divided by silver produced (oz)[2]		1,417,537		1,760,136
Silver cash costs ($/oz)	$	(0.63)	$	9.45

Reconciliation of Cosalá Operations Cash Cost per Ounce

		2018		2017
Cost of sales ('000)	$	23,283	$	10,195
Non-cash costs ('000)[1]		(381)		1,762
Direct mining costs ('000)	$	22,902	$	11,957
Smelting, refining and royalty expenses ('000)		9,450		2,431
Less by-product credits ('000)		(49,361)		(14,466)
Total cash costs ('000)	$	(17,009)	$	(78)
Divided by silver produced (oz)[2]		448,150		624,925
Silver cash costs ($/oz)	$	(37.95)	$	(0.13)

Reconciliation of Galena Complex Cash Cost per Ounce

		2018		2017
Cost of sales ('000)	$	28,832	$	29,843
Non-cash costs ('000)[1]		(349)		(456)
Direct mining costs ('000)	$	28,483	$	29,387
Smelting, refining and royalty expenses ('000)		4,406		6,818
Less by-product credits ('000)		(16,769)		(19,486)
Total cash costs ('000)	$	16,120	$	16,719
Divided by silver produced (oz)		969,387		1,135,211
Silver cash costs ($/oz)	$	16.63	$	14.73

Reconciliation of Consolidated All-In Sustaining Cost per Ounce

		2018		2017
Total cash costs ('000)	$	(889)	$	16,641
Capital expenditures ('000)		14,560		6,565
Exploration costs ('000)		219		192
Total all-in sustaining costs ('000)	$	13,890	$	23,398
Divided by silver produced (oz)[2]		1,417,537		1,760,136
Silver all-in sustaining costs ($/oz)	$	9.80	$	13.29

Reconciliation of Cosalá Operations All-In Sustaining Cost per Ounce

		2018		2017
Total cash costs ('000)	$	(17,009)	$	(78)
Capital expenditures ('000)		8,174		436
Exploration costs ('000)		24		-
Total all-in sustaining costs ('000)	$	(8,811)	$	358
Divided by silver produced (oz)[2]		448,150		624,925
Silver all-in sustaining costs ($/oz)	$	(19.66)	$	0.57

Reconciliation of Galena Complex All-In Sustaining Cost per Ounce

		2018		2017
Total cash costs ('000)	$	16,120	$	16,719
Capital expenditures ('000)		6,386		6,129
Exploration costs ('000)		195		192
Total all-in sustaining costs ('000)	$	22,701	$	23,040
Divided by silver produced (oz)		969,387		1,135,211
Silver all-in sustaining costs ($/oz)	$	23.42	$	20.30

1 Non-cash costs consist of non-cash related charges to cost of sales including inventory movements and write-downs to net realizable value of concentrates, ore stockpiles, and spare parts and supplies.

2 Calculation excludes pre-production of 50,490 silver ounces and 435,323 silver equivalent ounces mined from San Rafael during its commissioning period. It also excludes pre-production of 245,391 silver ounces and 360,530 silver equivalent ounces mined in 2017 from El Cajón during its commissioning period. Pre-production revenue and cost of sales from San Rafael and El Cajón are capitalized as an offset to development costs.

EXHIBIT 99.4

CERTIFICATION

I, Darren Blasutti, certify that:

1. I have reviewed this annual report on Form 40-F of Americas Silver Corporation;

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 controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-5(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 29, 2019

By: /s/ Darren Blasutti
Darren Blasutti
President and Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 99.5

CERTIFICATION

I, Warren Varga, certify that:

1. I have reviewed this annual report on Form 40-F of Americas Silver Corporation;

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 controls over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-5(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 29, 2019

By: /s/ Warren Varga
Warren Varga
Chief Financial Officer
(Principal Financial and Accounting 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 Americas Silver Corporation (the "Company") on Form 40-F for the period ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Darren Blasutti, President and Chief Executive 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 29, 2019

/s/ Darren Blasutti
Darren Blasutti
President and Chief Executive Officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Americas Silver Corporation and will be retained by Americas Silver Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99.7

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 Americas Silver Corporation (the "Company") on Form 40-F for the period ended December 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Warren Varga, 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 29, 2019

/s/ Warren Varga
Warren Varga
Chief Financial Officer
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Americas Silver Corporation and will be retained by Americas Silver Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 99.8

MINE SAFETY DISCLOSURE

The following table sets out the information concerning mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd Frank Wall Street Reform and Consumer Protection Act for the period January 1, 2018 through December 31, 2018 covered by this report:

Mine	Section 104(a) S&S Citations[1] (#)	Section 104(b) Orders[2] (#)	Section 104(d) Citations and Orders[3] (#)	Section 110(b)(2) Violations[4] (#)	Section 107(a) Orders[5] (#)	Total Dollar Value of MSHA Assess-ments Proposed[6] ($)	Total Number of Mining Related Fatalities (#)	Received Notice of Pattern of Violations or Potential Thereof Under Section 104(e)[7] (yes/no)	Legal Actions Pending as of Last Day of Period[8] (#)	Legal Actions Initiated During Period (#)	Legal Actions Resolved During Period (#)
Galena	11	0	0	0	0	28,837	0	no	0	1	1

1. Citations and Orders are issued under Section 104 of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 814) (the "**Act**") for violations of the Act or any mandatory health or safety standard, rule, order or regulation promulgated under the Act. A Section 104(a) "Significant and Substantial" or "S&S" citation is considered more severe than a non-S&S citation and generally is issued in a situation where the conditions created by the violation do not cause imminent danger, but the violation is of such a nature as could significantly and substantially contribute to the cause and effect of a mine safety or health hazard. It should be noted that, for purposes of this table, S&S citations that are included in another column, such as Section 104(d) citations, are not also included as Section 104(a) S&S citations in this column.

2. A Section 104(b) withdrawal order is issued if, upon a follow up inspection, an MSHA inspector finds that a violation has not been abated within the period of time as originally fixed in the violation and determines that the period of time for the abatement should not be extended. Under a withdrawal order, all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area of the mine until the inspector determines that the violation has been abated.

3. A citation is issued under Section 104(d) where there is an S&S violation and the inspector finds the violation to be caused by an unwarrantable failure of the operator to comply with a mandatory health or safety standard. Unwarrantable failure is a special negligence finding that is made by an MSHA inspector and that focuses on the operator's conduct. If during the same inspection or any subsequent inspection of the mine within 90 days after issuance of the citation, the MSHA inspector finds another violation caused by an unwarrantable failure of the operator to comply, a withdrawal order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.

4. A flagrant violation under Section 110(b)(2) is a violation that results from a reckless or repeated failure to make reasonable efforts to eliminate a known violation of a mandatory health or safety standard that substantially and proximately caused, or reasonable could have been expected to cause, death or serious bodily injury.

5. An imminent danger order under Section 107(a) is issued when an MSHA inspector finds that an imminent danger exists in a mine. An imminent danger is the existence of any condition or practice which could reasonably be expected to cause death or serious physical harm before such condition or practice can be abated. Under an imminent danger order, all persons, other than those required to abate the condition or practice and certain others, are required to be withdrawn from and are prohibited from entering the affected area until the inspector determines that such imminent danger and the conditions or practices which caused the imminent danger no longer exist.

6. These dollar amounts include the total amount of all proposed assessments from MSHA under the Act relating to any type of violation during the period, including proposed assessments for non-S&S citations that are not specifically identified in this exhibit, regardless of whether the Company has challenged or appealed the assessment.

7. A Notice is given under Section 104(e) if an operator has a pattern of S&S violations. If upon any inspection of the mine within 90 days after issuance of the notice, or at any time after a withdrawal notice has been given under Section 104(e), an MSHA inspector finds another S&S violation, an order is issued, under which all persons, other than those required to abate the violation and certain others, are required to be withdrawn from and prohibited from entering the affected area until the inspector determines that the violation has been abated.

8. There were no legal actions pending before the Federal Mine Safety and Health Review Commission as of the last day of the period covered by this report. In addition, there were no pending actions that are (a) contests of citations and orders referenced in Subpart B of 29 CFR Part 2700, (b) complaints for compensation referenced in subpart D of 29 CFR Part 2700; (c) complaints of discharge, discrimination or interference referenced in Subpart E of 29 CFR Part 2700; (d) applications for temporary relief referenced in Subpart F of 29 CFR Part 2700; or (e) appeals of judges' decisions or orders to the Federal Mine Safety and Health Review Commission referenced in Subpart H of 29 CFR Part 2700.

EXHIBIT 99.9

Consent of Independent Registered Public Accounting Firm

We hereby consent to the inclusion in this Annual Report on Form 40-F of Americas Silver Corporation, and to the incorporation by reference on Form F-10 of Americas Silver Corporation of our report dated March 4, 2019, relating to the consolidated financial statements, which appears in this Annual Report.

/s/ PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario, Canada

March 29, 2019

EXHIBIT 99.10

CONSENT OF THOMAS DYER

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Technical Report and Preliminary Feasibility Study for the San Rafael Property, Sinaloa, Mexico dated April 29, 2016 in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Thomas Dyer

Thomas Dyer

EXHIBIT 99.11

CONSENT OF PAUL TIETZ

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Technical Report and Preliminary Feasibility Study for the San Rafael Property, Sinaloa, Mexico dated April 29, 2016 and the use of the written disclosure regarding the San Rafael, Zone 120 and El Cajón Mineral Resource estimates in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Paul Tietz

Paul Tietz

EXHIBIT 99.12

CONSENT OF MINE DEVELOPMENT ASSOCIATES, INC.

The undersigned, on behalf of Mine Development Associates, Inc. ("Mine Development"), hereby consents to: (i) the use of the written disclosure derived from the Technical Report and Preliminary Feasibility Study for the San Rafael Property, Sinaloa, Mexico dated April 29, 2016 in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of Mine Development's name in the AIF and 40-F.

Dated: March 29, 2019

/s/Mine Development Associates

Mine Development Associates

EXHIBIT 99.13

CONSENT OF JIM ATKINSON

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Technical Report, Galena Complex, Shoshone County, Idaho" dated December 23, 2016 in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Jim Atkinson

Jim Atkinson

EXHIBIT 99.14

CONSENT OF DAREN DELL

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Technical Report, Galena Complex, Shoshone County, Idaho" dated December 23, 2016 in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Daren Dell

Daren Dell

EXHIBIT 99.15

CONSENT OF EDWIN PERALTA

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Technical Report and Preliminary Feasibility Study for the San Rafael Property, Sinaloa, Mexico dated April 29, 2016 in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Edwin Peralta

Edwin Peralta

EXHIBIT 99.16

CONSENT OF RANDY POWELL

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Technical Report and Preliminary Feasibility Study for the San Rafael Property, Sinaloa, Mexico dated April 29, 2016 in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Randy Powell

Randy Powell

EXHIBIT 99.17

CONSENT OF DAN HUSSEY

The undersigned hereby consents to: (i) the use of the written disclosure derived from the Technical Report, Galena Complex, Shoshone County, Idaho" dated December 23, 2016 in Americas Silver Corporation's (the "Company") Annual Information Form for the year ended December 31, 2018 (the "AIF") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Dan Hussey

Dan Hussey

EXHIBIT 99.18

CONSENT OF JAMES STONEHOUSE

The undersigned hereby consents to: (i) the use of the written disclosure regarding the Nuestra Señora Mineral Reserve and Resource estimate and certain technical disclosure in the Annual Information Form for the year ended December 31, 2018 (the "AIF") of Americas Silver Corporation (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/James Stonehouse

James Stonehouse

EXHIBIT 99.19

CONSENT OF SHAWN WILSON

The undersigned hereby consents to: (i) the use of the written disclosure regarding the Mineral Reserve estimate for the Galena Complex and the use of the written disclosure regarding the San Rafael Mineral Reserve estimate and certain technical disclosure in the Annual Information Form for the year ended December 31, 2018 (the "AIF") of Americas Silver Corporation (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Shawn Wilson

Shawn Wilson

EXHIBIT 99.20

CONSENT OF AARON GROSS

The undersigned hereby consents to: (i) the use of the written disclosure regarding the Mineral Resource estimate for the Galena Complex and certain technical disclosure in the Annual Information Form for the year ended December 31, 2018 (the "AIF") of Americas Silver Corporation (the "Company") being filed as an exhibit to the Company's Form 40-F Annual Report for the period ended December 31, 2018, and any amendments thereto (the "40-F"), being filed with the United States Securities and Exchange Commission; and (ii) the use of my name in the AIF and 40-F.

Dated: March 29, 2019

/s/Aaron Gross

Aaron Gross