AMERICAS SILVER CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2015
DATED AUGUST 14, 2015

Americas Silver Corporation
Management's Discussion and Analysis
Table of Contents

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Forward-Looking Statements

Statements contained or incorporated by reference in this Management's Discussion and Analysis ("MD&A") that are not current or historical factual statements may constitute forward-looking information within the meaning of applicable Canadian 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 timing and amount of estimated future production, production guidance, costs of production, capital expenditures, costs and timing of development, success of exploration activities, permitting timelines, government regulation of mining operations, environmental risks, and timing and possible outcomes of pending litigation, negotiations or regulatory investigations, including, the final determination of the boundaries of the concessions encompassing the El Cajón deposit 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, including those set out under "Risk Factors" in this MD&A 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 MD&A 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 MD&A, including the documents incorporated herein by reference, 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 Canadian securities laws. The Company has made a number of assumptions in making forward-looking statements in this MD&A including any documents incorporated herein by reference.

Management's Discussion and Analysis

This MD&A of the results of operations, liquidity and capital resources of Americas Silver Corporation (formerly Scorpio Mining Corporation) ("Americas Silver" or the "Company") constitutes management's review of the Company's financial and operating performance for the three and six months ended June 30, 2015, including the Company's financial condition and future prospects. Except as otherwise noted, this discussion is dated August 14, 2015 and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and the notes thereto for the three and six months ended June 30, 2015 and 2014, and with the Company's annual audited consolidated financial statements and the notes thereto for the years ended December 31, 2014 and 2013. The condensed interim consolidated financial statements for the three and six months ended June 30, 2015 and 2014 are prepared in accordance with International Accounting Standards ("IAS") 34 under 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 are available on SEDAR at www.sedar.com and on the Company's website at www.americassilvercorp.com.

In this report, the management of the Company presents operating highlights for the three months ended June 30, 2015 ("Q2-2015") compared to the three months ended June 30, 2014 ("Q2-2014") and for the six months ended June 30, 2015 ("YTD-2015") compared to the six months ended June 30, 2014 ("YTD-2014") as well as comments on plans for the future.

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 the cover page 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. The merger of the Company and U.S. Silver & Gold Inc. ("U.S. Silver") was completed on December 23, 2014 pursuant to a plan of arrangement under the Business Corporations Act (Ontario). The merger was accounted for as a business combination in accordance with IFRS 3, Business Combinations. Americas Silver was considered the acquirer of U.S. Silver for accounting purposes. As a result, the consolidated financial statements include U.S. Silver's results subsequent to December 23, 2014 only. All comparative information in this MD&A and the consolidated financial statements omit any U.S. Silver results pre-December 23, 2014 or prior period comparatives, unless otherwise stated.

Overview

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

In Sinaloa, Mexico, the Company operates the 100%-owned producing Nuestra Señora silver-zinc-copper-lead mine located in the Cosalá District. The Company declared commercial production in January 2009 following development of the Nuestra Señora Mine and commissioning of the Los Braceros processing facility. The Cosalá area land holdings also host several other known deposits and prospects including the San Rafael zinc-lead-silver project and the past-producing La Verde silver-copper mine.

On April 1, 2010, the Company completed the acquisition of all of the outstanding shares of Platte River Gold Inc. ("Platte River"), through which the Company acquired several advanced silver-zinc-lead-copper-gold deposits, including the San Rafael deposit ("San Rafael Project"), the La Verde Mine and the El Cajón deposit ("El Cajón Project"), which was put on care and maintenance in January 2015. These properties are located in close proximity to the Los Braceros processing plant. The Company is a significant concession holder in the Cosalá District, with holdings of approximately 24,657 hectares ("ha"), containing numerous mineral concessions including previously producing mines.

In Idaho, USA, the Company operates the 100%-owned producing Galena Complex acquired through the business combination with U.S. Silver. The Galena Complex's primary assets are the operating Galena Mine, the Coeur Mine, and the contiguous Caladay development project in the Coeur d'Alene Mining District of northern Idaho. The Galena Complex has recorded production of over 250 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 and Caladay development project have 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 complimentary projects. The Company's current strategy is focused on developing the San Rafael Project while continuing to operate the Galena Complex and the Cosalá Operations. Exploration will continue on prospective targets with an emphasis directed at the Cosalá District.

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 "SPM" and "SMNPF" on the OTCQX.

Recent Developments

On December 23, 2014, the Company announced the closing of the combination of Americas Silver and U.S. Silver by way of a plan of arrangement. The resulting consolidated company is a growth-oriented silver producer with Americas Silver's producing Cosalá Operations in State of Sinaloa, Mexico and U.S. Silver's producing Galena Complex in Idaho, United States. The merger created a leading, junior silver producer in the Americas while removing redundant costs in a lower silver price environment.

The merger was completed by the Company acquiring all of the outstanding common shares of U.S. Silver and exchanging each outstanding U.S. Silver common share for 1.68 common shares of the Company. Outstanding U.S. Silver options were exchanged for options of the Company and outstanding U.S. Silver warrants became exercisable for warrants of the Company under the same exchange ratio. Additional information can be obtained from the Management Information Circular available on the Company's website and on SEDAR at www.sedar.com.

Consolidated Operations

The Company's consolidated silver production was 661,393 ounces for Q2-2015, an increase of 109% when compared to Q2-2014; consolidated silver equivalent production was 1,148,769 ounces for Q2-2015, which represented an increase of 99% when compared to Q2-2014. For YTD-2015, consolidated silver production was 1,369,634 ounces which represented an increase of 124% when compared to YTD-2014; consolidated silver equivalent production was 2,394,868 ounces, an increase of 115% when compared to YTD-2014.

The Company's consolidated by-product cash cost for Q2-2015 was $12.35/oz., an increase of 16% when compared to Q2-2014. Consolidated by-product cash cost was $12.41/oz. silver during YTD-2015, an increase of 2% when compared to YTD-2014. Explanations for variances are further discussed in the following sections.

Effective June 30, 2015, the Company amended the terms of its existing C$8.5 million credit agreement with Royal Capital Management Corporation and certain lenders, originally executed on August 7, 2013. The amendment extends the maturity from August 2016 to December 2017 and beginning January 2017, the notes will be redeemed in monthly increments of C$0.5 million, with the balance due and payable on maturity. The Company also amended the terms of the 17,850,000 warrants originally granted in connection with the credit agreement, by extending the expiry date from August 2018 to August 2020 and lowering the exercise price from C$0.40 to $0.28 per share.

On August 14, 2015, the Company announced its intention to raise gross proceeds of a minimum of C$1.7 million through private placement of 9,444,444 units at a price of C$0.18 per unit. Each unit will consist of one common share and one half of one common share purchase warrant where each whole warrant is exercisable for one common share at an exercise price of C$0.25 for a period of three years. The private placement is subject to a number of standard conditions and approvals and is expected to close on or about August 20, 2015. The Company expects to issue commission in connection with the brokered portion of the private placement.

On August 13, 2015, the Company agreed to terms regarding a credit agreement with a certain lender for a principal amount of $1.0 million for a term of one year, at an interest rate of 12% per annum, payable on a monthly basis beginning on the fifth month following closing. In connection with the signing of the credit agreement, the Company will issue warrants to the lender under the same terms referenced in the above private placement adjusted for the USD/CAD exchange ratio at the time of issuance on closing.

Cosalá Operations

Subsequent to the merger, the new Board and management team took decisive action from its assessment of current operations and brownfield expansion opportunities at the Cosalá District:

- The El Cajón Project was put on care and maintenance pending an improvement in silver prices;
- The workforce at the Cosalá Operations was reduced by roughly 25%;
- The San Rafael Project was brought forward in the development pipeline; and
- An evaluation of highest potential exploration targets was completed.

During the six months ended June 30, 2015, the Cosalá Operations began transitioning into a near-term, cash flow generator through further productivity improvements, implementation of systematic cost controls, and a reduction in the workforce. This transition lasted through the first half of the year. The first half of 2015 was slightly better than expected despite expectations to the contrary due to the workforce reductions and falling metals prices. In YTD-2015, the Cosalá Operations produced 621,226 ounces of silver with a by-product cash cost of $9.54/oz. silver, resulting in a 2% increase in silver production and 21% decrease in cash costs when compared year-over-year. Copper production increased by 64%, while zinc and lead production decreased by 8% and 1%, respectively, when compared year-over-year. Management continues to expect the third and fourth quarters will be the lowest cost per ounce quarters of the year at the Cosalá Operations. The long-term benefit of the transition should allow for multi-year, low cost production in the future.

Management advanced the San Rafael Project in the development pipeline in the first half of 2015. Approximately 1,000 meters of geotechnical drilling was completed to assess and better define the characteristics of the host rocks and mineralization. The deposit hosts a large polymetallic resource and current efforts are focused on updating geological models, confirming metallurgy and establishing preliminary mine design. The Company expects the prefeasibility study will be completed in the second half of 2015.

In 2014, the Company identified discrepancies between registered data and mapped information relative to the boundaries of the concessions encompassing the Company's El Cajón resource online. As a result, there may be a significant change to the boundaries of concessions from what the Company had historically believed them to be. This issue is pending final resolution from Dirección General de Regulación Minera ("DGRM"), the Mexican government bureau responsible for administering mining concessions. The Company's review of available information indicates a potential reduction of total resources at El Cajón of 40% to 50%.

Consequently, the El Cajón Project was placed on care and maintenance in January 2015 due to the boundary issue and prevailing metal prices. The halt in development resulted in a gradual staffing reduction of approximately 80 positions representing almost 20% of the workforce at the Cosalá Operations over the first quarter of 2015. Prior to suspension, metallurgical performance was confirmed through a milling campaign which processed approximately 7,700 tonnes of development muck. With considerable underground infrastructure already in place, the Project could be reactivated on short notice pending an improvement in economic conditions.

Galena Complex

Current Americas Silver management significantly transformed operations at the Galena Complex in response to the decline in precious metals prices since early 2013. The focus of the transformation was to maintain cash flow positive operations in the current and rapidly-changing silver price environment. The foundation for this transformation was accomplished by mining higher silver equivalent grade ore at lower tonnage with the appropriately-sized workforce. Mine management has been focused on the identification, development and production of sustainable, multi-year, lower cost production by mining the highest value per tonne of ore, regardless of silver content, for the lowest possible operating cost.

By the end of 2014, U.S. Silver completed the transition of its production from one based predominantly on silver-copper ore to silver-lead ore. The Galena Mine's silver-lead ore resources offer overall higher silver equivalent grades and lower mining costs as these mining areas are typically wider and may allow for a greater contribution from mechanized mining in the future. This focus led to lower near-term production in 2014 in order to develop the infrastructure for accessing silver-lead resources in 2015 and beyond.

Despite processing both lower tonnage and lower silver grades, as well as experiencing hoist issues from a clutch failure early in the second quarter, cash costs in YTD-2015 have declined as U.S. Silver continued cost cutting and identifying areas for improvement. In YTD-2015, the Galena Complex produced 748,408 ounces of silver with a by-product cash cost of $14.79/oz. silver, resulting in a 17% decrease in silver production and 1% decrease in cash costs when compared to calendar year-over-year. Lead production increased by 119% while copper production decreased by 42% when compared to calendar year-over-year. As the second half of the year progresses and the Galena clutch failure is resolved, the Company anticipates it will be able to recover tonnage shortfalls from the first half of 2015. These efforts will be supported by the commencement of production from recently-developed, silver-lead areas on the 3400 level.

Guidance

The Company's guidance for 2015 remains unchanged at production of 2.6 – 3.0 million silver ounces and 4.6 – 5.2 million silver equivalent ounces at cash costs of $11.50 – $12.50 per ounce and all-in sustaining costs of $16.50 – $17.50 per ounce.

Discussion of Consolidated Operations

	Q2-2015 [1]	Q2-2014	YTD-2015 [1]	YTD-2014
Revenues ($ M)	$ 15.3	$ 8.8	$ 29.2	$ 16.9
Silver Ounces Produced (oz)	661,393	316,738	1,369,634	610,687
Zinc Pounds Produced (lbs)	2,692,214	3,478,500	5,945,953	6,465,126
Lead Pounds Produced (lbs)	4,618,754	1,388,750	9,265,699	2,586,414
Copper Pounds Produced (lbs)	541,691	256,913	1,186,614	584,577
Total Silver Equivalent Ounces Produced (oz) [2]	1,148,769	577,773	2,394,868	1,112,159
Cash Cost/Ag Oz Produced ($/oz) [3]	$12.35	$10.62	$12.41	$12.11
Net Loss ($ M)	$ (1.5)	$ (1.8)	$ (7.4)	$ (2.9)
Comprehensive Loss ($ M)	$ (1.6)	$ (1.3)	$ (7.7)	$ (2.8)

1. Production from Galena Complex operations included since December 23, 2014.
2. Silver equivalent ounces produced is based on prices of $17 per ounce silver, $0.95 per pound zinc, $0.90 per pound lead, and $2.90 per pound copper for fiscal 2015, and $20 per ounce silver, $0.90 per pound zinc, $0.95 per pound lead, and $3.00 per pound copper for fiscal 2014.
3. Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce" section in this MD&A.

During Q2-2015, the Company produced 1,148,769 silver equivalent ounces, including 661,393 ounces of silver, at by-product cash cost of $12.35/oz. silver. These results compare to 577,773 silver equivalent ounces, including 316,738 ounces of silver, at a by-product cash cost of $10.62/oz. silver during Q2-2014, a 109%, 99%, and 16% increase in production of silver equivalent ounces and silver ounces, and by-product cash cost, respectively. During YTD-2015, the Company produced 2,394,868 silver equivalent ounces, including 1,369,634 ounces of silver, at by-product cash cost of $12.41/oz. silver. These results compare to 1,112,159 silver equivalent ounces, including 610,687 ounces of silver, at a by-product cash cost of $12.11/oz. silver during YTD-2014, a 124%, 115%, and 2% increase in production of silver equivalent ounces and silver ounces, and by-product cash cost, respectively. These results exclude the one-time costs related to the El Cajon Project cessation and the related workforce reduction.

The consolidated operations above include U.S. Silver results from December 23, 2014. If U.S. Silver had been consolidated from January 1, 2014, the Company would have produced 1,227,701 silver equivalent ounces, including 837,461 ounces of silver, at by-product cash cost of $11.67/oz. silver during Q2-2014. When these proforma numbers are compared to actual Q2-2015 results, there would have been 6% and 21% decrease in production of silver equivalent ounces and silver ounces, respectively, and a 6% increase in by-product cash cost. During YTD-2014, the Company would have produced 2,222,577 silver equivalent ounces, including 1,516,913 ounces of silver, at by-product cash cost of $13.84/oz. silver. These results compared to YTD-2015 results in a 8% increase in production of silver equivalent ounces, and a 10% and 10% decrease in production of silver ounces and by-product cash cost, respectively.

As of June 30, 2015, the Company's cash totalled $5.6 million, compared to $15.2 million at December 31, 2014. The cash decrease during the six months ended June 30, 2015 is primarily attributable to cash used in mining operations ($0.3 million), capital expenditures towards drilling and underground development costs ($4.8 million), purchase of property, plant and equipment ($0.9 million), care and maintenance costs on the cessation of the El Cajón Project ($1.5 million), decrease in transaction-related payables related to U.S. Silver merger ($4.3 million), partially offset by decrease in receivables due to timing of shipments ($2.7 million).

The Company recorded a net loss of $1.5 million for the three months ended June 30, 2015 compared to net loss of $1.8 million for the three months ended June 30, 2014. The decrease in net loss was primarily attributable to higher net profit on commodity sales, lower depletion and amortization, and higher income tax recovery, partially offset by higher care and maintenance costs, higher corporate general and administrative expenses, and higher exploration costs. The Company recorded a net loss of $7.4 million for the six months ended June 30, 2015 compared to net loss of $2.9 million for the six months ended June 30, 2014. The increase in net loss was primarily attributable to lower metal prices, higher care and maintenance costs, higher merger-related G&A expenses, higher exploration costs, higher interest and financing expenses, higher loss on mining concession sales, and lower income tax recovery, partially offset by lower depletion and amortization. These variances are further discussed in the following sections.

For the purposes of this "Discussion of Consolidated Operations" section of the MD&A, the calculation of silver equivalent ounces produced was based on prices of $17 per ounce silver, $0.95 per pound zinc, $0.90 per pound lead, and $2.90 per pound copper for fiscal 2015, and, for fiscal 2014, $20 per ounce silver, $0.90 per pound zinc, $0.95 per pound lead, and $3.00 per pound copper.

Cosalá Operations Production and Operating Costs

	Q2-2015	Q2-2014	YTD-2015	YTD-2014
Tonnes Milled	124,809	139,581	251,234	276,898
Silver Head Grade (g/t)	91	85	91	83
Zinc Head Grade (%)	1.18	1.37	1.42	1.37
Lead Head Grade (%)	0.48	0.64	0.57	0.64
Copper Head Grade (%)	0.27	0.18	0.28	0.19
Silver Recoveries (%)	83.7	83.3	84.1	83.0
Zinc Recoveries (%)	82.7	82.5	81.8	77.0
Lead Recoveries (%)[1]	89.1	70.5	81.3	66.7
Copper Recoveries (%)	60.3	46.4	61.0	49.1
Silver Ounces Produced (oz)	304,610	316,738	621,226	610,687
Zinc Pounds Produced (lbs)	2,692,214	3,478,500	5,945,953	6,465,126
Lead Pounds Produced (lbs)	1,370,466	1,388,750	2,570,752	2,586,414
Copper Pounds Produced (lbs)	443,668	256,913	959,662	584,577
Total Silver Equivalent Ounces Produced (oz)[2]	603,296	577,773	1,253,306	1,112,159
Silver Ounces Sold (oz)	306,583	325,608	624,932	632,881
Zinc Pounds Sold (lbs)	2,665,975	3,631,560	5,879,572	6,489,444
Lead Pounds Sold (lbs)	1,330,984	1,419,734	2,747,530	2,681,192
Copper Pounds Sold (lbs)	468,409	254,487	944,246	588,415
Realized Silver Price ($/oz)	$16.23	$19.98	$16.44	$20.21
Realized Zinc Price ($/lb)	$1.00	$0.95	$0.97	$0.94
Realized Lead Price ($/lb)	$0.88	$0.96	$0.85	$0.96
Realized Copper Price ($/lb)	$2.75	$3.16	$2.75	$3.12
Cash Cost/Ag Oz Produced ($/oz)[3]	$9.23	$10.62	$9.54	$12.11

1 Increase in lead recoveries during Q2-2015 is a result of an adjustment to lead production from copper concentrate under a new smelter agreement in first half of 2015.

2 Silver equivalent ounces produced is based on prices of $17 per ounce silver, $0.95 per pound zinc, $0.90 per pound lead, and $2.90 per pound copper for fiscal 2015, and $20 per ounce silver, $0.90 per pound zinc, $0.95 per pound lead, and $3.00 per pound copper for fiscal 2014.

3 Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce" section in this MD&A.

The Cosalá Operations mined 124,809 tonnes of ore at an average grade of 91 g/t of silver to produce 304,610 ounces of silver at a cash cost of $9.23/oz. during Q2-2015, compared to 139,581 tonnes of ore at an average grade of 85 g/t of silver to produce 316,738 ounces of silver at a cash cost of $10.62/oz. during Q2-2014, a 11% and 4% decrease in tonnes of ore mined and ounces of silver produced, respectively, and a 13% decrease in cash cost per ounce. Silver recovery to concentrate was 83.7% in Q2-2015 (Q2-2014 – 83.3%). During YTD-2015, the Cosalá Operations mined 251,234 tonnes of ore at an average grade of 91 g/t of silver to produce 621,226 ounces of silver at a cash cost of $9.54/oz., compared to 276,898 tonnes of ore at an average grade of 83 g/t of silver to produce 610,687 ounces of silver at a cash cost of $12.11/oz. during YTD-2014, a 9% decrease in tonnes of ore mined but an 2% increase in ounces of silver produced and a 21% decrease in cash cost per ounce. Silver recovery to concentrate was 84.1% in YTD-2015 (YTD-2014 – 83.0%).

Cash costs of $9.23/oz. and $9.54/oz. for Q2-2015 and YTD-2015, respectively, were lower than cash costs of $10.62/oz. and $12.11/oz. for Q2-2014 and YTD-2014, respectively, primarily due staffing reductions resulting from the cessation of the El-Cajon project earlier in Q1-2015. Production of silver equivalent ounces has increased by 4% and 13% in Q2-2015 and YTD-2015, respectively, when compared to Q2-2014 and YTD-2014, respectively, due to higher average head grades.

Realized silver prices at $16.23/oz. and $16.44/oz. for Q2-2015 and YTD-2015, respectively (Q2-2014 and YTD-2014 – $19.98/oz. and $20.21/oz., respectively) are comparable to the London silver spot price average of $16.41/oz. and $16.56/oz. for Q2-2015 and YTD-2015, respectively (Q2-2014 and YTD-2014

– $19.62/oz. and $20.05/oz., respectively). The realized silver price declined by 19% from Q2-2014 to Q2-2015 and by 19% from YTD-2014 to YTD-2015 due to the drop in silver prices.

Galena Complex Production and Operating Costs

	Fiscal Year Q2-2015 [1]	Calendar Year Q2-2014 [1]	Fiscal Year YTD-2015 [1]	Calendar Year YTD-2014 [1]
Tonnes Milled	33,586	36,438	71,103	71,497
Silver Head Grade (g/t)	355	463	347	411
Lead Head Grade (%) [4]	6.26	5.97	6.34	5.31
Copper Head Grade (%) [4]	0.67	0.52	0.60	0.43
Silver Recoveries (%)	93.0	96.1	94.3	95.8
Lead Recoveries (%)	88.7	92.6	89.7	92.9
Copper Recoveries (%)	94.8	96.2	96.6	95.5
Silver Ounces Produced (oz)	356,783	520,723	748,408	906,226
Lead Pounds Produced (lbs)	3,248,288	2,040,198	6,694,947	3,060,483
Copper Pounds Produced (lbs)	98,023	215,302	226,952	392,127
Total Silver Equivalent Ounces Produced (oz) [2]	545,473	649,928	1,141,562	1,110,418
Silver Ounces Sold (oz)	384,886	460,037	748,849	805,911
Lead Pounds Sold (lbs)	3,347,632	1,955,807	6,727,753	2,870,834
Copper Pounds Sold (lbs)	121,067	173,386	223,522	355,850
Realized Silver Price ($/oz)	$16.29	$19.48	$16.53	$20.13
Realized Lead Price ($/lb)	$0.62	$0.96	$0.72	$0.96
Realized Copper Price ($/lb)	$2.70	$3.05	$2.67	$3.11
Cash Cost/Ag Oz Produced ($/oz) [3]	$15.00	$12.31	$14.79	$15.00

1 Production from Galena Complex operations are included since December 23, 2014. Values for calendar year 2014 are presented for information purposes only.
2 Silver equivalent ounces produced is based on prices of $17 per ounce silver, $0.95 per pound zinc, $0.90 per pound lead, and $2.90 per pound copper for fiscal 2015, and $20 per ounce silver, $0.90 per pound zinc, $0.95 per pound lead, and $3.00 per pound copper for fiscal 2014.
3 Refer to "Non-IFRS Measures: Cash Cost per Ounce and All-In Sustaining Cost per Ounce" section in this MD&A.
4 Lead and silver grades only refer to grades in silver-lead and silver-copper ores, respectively.

The Galena Complex mined 33,586 tonnes of ore at an average grade of 355 g/t of silver to produce 356,783 ounces of silver at a cash cost of $15.00/oz. during Q2-2015, compared to 36,438 tonnes of ore at an average grade of 463 g/t of silver to produce 520,723 ounces of silver at a cash cost of $12.31/oz. during calendar year Q2-2014, a 8% and 31% decrease in tonnes of ore mined and ounces of silver produced, respectively, and a 22% increase in cash cost per ounce. Approximately 21% of the tonnes were processed through the Coeur mill during Q2-2015 (calendar year Q2-2014 – 46%). Combined silver recoveries from the Galena and Coeur mills were 93.0% for Q2-2015 (calendar year Q2-2014 – 96.1%). Production of lead during Q2-2015 increased 59% as compared to calendar year Q2-2014. During YTD-2015, the Galena Complex mined 71,103 tonnes of ore at an average grade of 347 g/t of silver to produce 748,408 ounces of silver at a cash cost of $14.79/oz., compared to 71,497 tonnes of ore at an average grade of 411 g/t of silver to produce 906,226 ounces of silver at a cash cost of $15.00/oz. during calendar year YTD-2014, a 1% and 17% decrease in tonnes of ore mined and ounces of silver produced, respectively, but a 1% decrease in cash cost per ounce. Approximately 25% of the tonnes were processed through the Coeur mill during YTD-2015 (calendar year YTD-2014 – 39%). Combined silver recoveries from the Galena and Coeur mills were 94.3% for Q2-2015 (calendar year YTD-2014 – 95.8%). Production of lead during YTD-2015 increased 119% as compared to calendar year YTD-2014. The Galena Complex swapped the milling of silver-lead ore from Coeur mill to the Galena mill in July 2014 in order to handle the greater silver-lead tonnage.

Cash costs of $15.00/oz. for Q2-2015 were higher than cash costs of $12.31/oz. for calendar year Q2-2014 primarily due to the increase of direct mining costs (i.e. labour, supplies, utilities, etc.) on a silver produced per ounce basis partially offset by-product credits from the increased production of lead, resulting in the higher cash costs experienced. Cash costs of $14.79/oz. for YTD-2015 were lower than cash costs of $15.00/oz. for calendar year YTD-2014 primarily due to the reduction of direct mining costs (i.e. labour, supplies, utilities, etc.) on a silver produced per ounce basis and increase by-product credits from the increased production of lead, resulting in the lower cash costs experienced.

Realized silver prices at $16.29/oz. and $16.53/oz. for Q2-2015 and YTD-2015, respectively (calendar year Q2-2014 and YTD-2014 – $19.48/oz. and $20.13/oz., respectively) are comparable to the London silver spot price average of $16.41/oz. and $16.56/oz. for Q2-2015 and YTD-2015, respectively (Q2-2014 and YTD-2014 – $19.62/oz. and $20.05/oz., respectively). The realized silver price declined by 16% from calendar year Q2-2014 to Q2-2015 and by 18% from calendar year YTD-2014 to YTD-2015 due to the drop in silver prices.

Exploration Update

Cosalá Operations Exploration Update

Nuestra Señora

A small program of diamond drilling (80 meters) was completed at Nuestra Señora during the first quarter of 2015 in support of short-term mining activities. The main area for this work was done to define material suitable for mining and processing.

Geological mapping was carried out on surface near the Nuestra Señora mine in the Candelaria area. An area of mineralized breccia was discovered and some hand trenching was completed to expose the mineralization and allow samples to be taken with sampling underway.

San Rafael

Surface mapping and data compilation is on-going at San Rafael. An area of suspected massive sulphide mineralization has been discovered south of the known San Rafael ore body. Hand trenching and sampling is underway and a plan is being developed to attempt mechanical trenching. Management is focused on advancing the San Rafael deposit to a production decision. A program of drilling to obtain additional samples for metallurgical sampling was performed with 677 meters completed. Silver grades are expected to average between 16 grams per tonne to 65 grams per tonne within approximately 50 meters of drill results in the San Rafael Main Zone.

Regional Mapping

Surface mapping has been concentrated in the areas of above Nuestra Señora and south of San Rafael to assist in the interpretation of these mineral deposits and help define new and/or expanded resources. A zone of skarn with sulphides has been traced on surface from the Nuestra Señora area to the south and west for a distance of over 1,500 meters. Sampling and detailed exploration of the zone is continuing.

Galena Complex Exploration Update

Drilling during the second quarter of 2015 at the Galena Complex continued to focus on near-term resources and to provide information to the mining operations to assist with defining the highest value per tonne of ore for mining. The work was concentrated in the Upper Lead Zones on the 3200 Level.

The Company drilled 2,687 meters (8,817 feet) underground at the Galena Complex in the second quarter of 2015. A portion of this drilling was completed to advance block modeling of the newly, re-evaluated series of veins in the upper part of the mine. Geologists now have an improved picture of potentially high-grade, minable silver/lead veins in the 2800 to 3700 level area. Five of these veins have been delineated by the recent drilling and are now being block modeled. These silver-lead veins underwent limited historical development prior to the mine's decades-long focus on silver-copper ore. As a result, only a small amount of production mining took place and the resource was left readily available via established development and infrastructure. Initial work has commenced in preparation for renewed mining in these new areas. Meaningful production from this area is expected to begin later in 2015.

The Company's exploration staff completed work to confirm and upgrade the existing resources through block modeling and drilling.

New reserve and resource updates have been completed by mine staff based on results to the end of 2014 and can be found in the Company's Annual Information Form dated March 30, 2015 from the Company's website at www.americassilvercorp.com and on SEDAR at www.sedar.com.

Mr. Jim Atkinson, Vice President, Exploration and a 'qualified person' under NI 43-101 guidelines ("Qualified Person"), has approved the applicable contents of this section.

Results of Operations

Analysis of the three months ended June 30, 2015 vs. the three months ended June 30, 2014

The Company recorded a net loss of $1.5 million for the three months ended June 30, 2015 compared to net loss of $1.8 million for the three months ended June 30, 2014. The decrease in net loss was primarily attributable to higher net profit on commodity sales ($0.6 million), lower depletion and amortization ($0.7 million), and higher income tax recovery ($0.2 million), partially offset by higher care and maintenance costs ($0.3 million), higher corporate general and administrative expenses ($0.6 million), and higher exploration costs ($0.2 million), each of which are described in more detail below:

Revenues increased by $6.5 million from $8.8 million for the three months ended June 30, 2014 to $15.3 million for the three months ended June 30, 2015. The increase is primarily due to $8.1 million in revenues generated from the Galena Complex during the period offset by $1.6 million decrease in revenues from the Cosalá Operations due to lower average realized metal prices for the periods involved.

Cost of Sales increased by $6.0 million from $6.6 million for the three months ended June 30, 2014 to $12.6 million for the three months ended June 30, 2015. The increase is primarily due to $7.6 million in cost of sales incurred from the Galena Complex during the period offset by $1.6 million decrease in cost of sales from the Cosalá Operations due to decrease in direct mining costs on a per silver ounce basis during the period.

Depletion and amortization decreased by $0.7 million from $2.5 million for the three months ended June 30, 2014 to $1.8 million for the three months ended June 30, 2015. The decrease is primarily due the decrease in depletion of mining interests as a result of lower ore production when compared to prior periods.

Care and maintenance costs of $0.3 million was incurred during the three months ended June 30, 2015 primarily due to ongoing care and maintenance costs resulting from the cessation of the El Cajón Project.

Corporate general and administrative expenses increased by $0.6 million from $1.5 million for the three months ended June 30, 2014 to $2.1 million for the three months ended June 30, 2015. The increase is primarily due to salaries, professional fees, and office and general expenses incurred by both Americas Silver and U.S. Silver during the period subsequent to the merger as the two companies are being integrated. These expenses are expected to decrease in the second half of the year.

Exploration costs of $0.2 million increased during the three months ended June 30, 2015 primarily due to exploration projects at the Cosalá Operations and Galena Complex conducted during the period as opposed to previously capitalized at the Cosalá Operations in Q2-2014.

Income tax recovery increased by $0.2 million for the three months ended June 30, 2015 primarily due to recognition of non-capital losses from the Galena Complex during the period carried forward for future reduction of income tax expenses.

Analysis of the six months ended June 30, 2015 vs. the six months ended June 30, 2014

The Company recorded a net loss of $7.4 million for the six months ended June 30, 2015 compared to net loss of $2.9 million for the six months ended June 30, 2014. The increase in net loss was primarily attributable to higher care and maintenance costs ($1.5 million), higher corporate general and administrative expenses ($1.6 million), higher exploration costs ($0.6 million), higher interest and financing expenses ($0.7 million), higher loss on mining concession sales ($0.3 million), and lower income tax recovery ($0.4 million), partially offset by lower depletion and amortization ($0.7 million), each of which are described in more detail below:

Revenues increased by $12.3 million from $16.9 million for the six months ended June 30, 2014 to $29.2 million for the six months ended June 30, 2015. The increase is primarily due to $15.2 million in revenues generated from the Galena Complex during the period offset by $2.9 million decrease in revenues from the Cosalá Operations due to lower average realized metal prices for the periods involved.

Cost of Sales increased by $12.3 million from $13.3 million for the six months ended June 30, 2014 to $25.6 million for the six months ended June 30, 2015. The increase is primarily due to $14.5 million in cost of sales incurred from the Galena Complex during the period offset by $2.2 million decrease in cost of sales from the Cosalá Operations due to decrease in direct mining costs on a per silver ounce basis during the period.

Depletion and amortization decreased by $0.7 million from $5.3 million for the six months ended June 30, 2014 to $4.6 million for the six months ended June 30, 2015. The decrease is primarily due the decrease in depletion of mining interests as a result of lower ore production when compared to prior periods.

Care and maintenance costs of $1.5 million was incurred during the six months ended June 30, 2015 primarily due to ongoing care and maintenance costs and severance expenses resulting from the cessation of the El Cajón Project.

Corporate general and administrative expenses increased by $1.6 million from $2.2 million for the six months ended June 30, 2014 to $3.8 million for the six months ended June 30, 2015. The increase is primarily due to salaries, professional fees, and office and general expenses incurred by both Americas Silver and U.S. Silver during the period subsequent to the merger as the two companies are being integrated. These expenses are expected to decrease subsequent to the quarter.

Exploration costs of $0.6 million incurred during the six months ended June 30, 2015 primarily due to exploration projects at the Cosalá Operations and Galena Complex conducted during the period.

Interest and financing expenses increased by $0.7 million for the six months ended June 30, 2015 primarily from amending the previously-granted warrants associated with the Company's outstanding credit facility.

Loss on mining concession sales of net $0.3 million was incurred during the six months ended June 30, 2015 due to sale of mining concessions from the Cosalá Operations for $0.2 million consideration (announced prior to the merger), offset by the carrying values of $0.5 million.

Income tax recovery decreased by $0.4 million from $0.9 million for the six months ended June 30, 2014 to $0.5 million for the six months ended June 30, 2015. The decrease is primarily due to the non-recognition of Mexican non-capital losses carried forward from previous periods which may be used to reduce future taxable income during the period. Management will reassess this non-recognition of Mexican deferred tax assets on an annual basis.

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 June 30, 2015.

	Q2 2015	Q1 2015	Q4 2014 [1]	Q3 2014	Q2 2014	Q1 2014	Q4 2013	Q3 2013
Revenues ($ M)	$ 15.3	$ 13.9	$ 6.8	$ 7.7	$ 8.8	$ 8.2	$ 7.2	$ 8.3
Net Income (Loss) ($ M)	(1.5)	(5.9)	(73.5)	(2.3)	(1.8)	(1.1)	(1.8)	(5.2)
Comprehensive Income (Loss) ($ M)	(1.6)	(6.1)	(72.9)	(3.5)	(1.2)	(1.5)	(1.3)	(0.1)
Silver Ounces Produced (oz)	661,393	708,241	318,137	277,796	316,722	293,948	262,380	240,499
Zinc Pounds Produced (lbs)	2,692,214	3,253,739	3,329,584	2,830,816	3,478,500	2,986,626	3,406,341	4,737,785
Lead Pounds Produced (lbs)	4,618,754	4,646,945	1,771,927	2,130,746	1,388,750	1,197,664	1,443,955	2,036,142
Copper Pounds Produced (lbs)	541,691	644,923	339,144	274,213	256,913	327,664	333,023	200,633
Cash Cost/Ag Oz Produced ($/oz) [2]	$12.35	$12.46	$11.60	$9.25	$10.62	$13.71	$15.18	$11.01
Current Assets (qtr. end) ($ M)	$ 23.5	$ 26.9	$ 36.9	$ 29.7	$ 33.6	$ 35.7	$ 36.3	$ 37.9
Current Liabilities (qtr. end) ($ M)	8.2	12.6	15.8	4.4	4.1	3.4	2.6	2.9
Working Capital (qtr. end) ($ M)	15.3	14.3	21.1	25.3	29.5	32.3	33.7	35.0
Total Assets (qtr. end) ($ M)	$ 105.6	$ 108.2	$ 118.6	$ 135.7	$ 138.7	$ 139.3	$ 139.8	$ 141.3
Total Liabilities (qtr. end) ($ M)	26.4	28.7	33.2	6.3	5.9	5.2	4.4	4.6
Total Equity (qtr. end) ($ M)	79.2	79.5	85.4	129.4	132.8	134.1	135.4	136.7

1 Production from Galena Complex operations included since December 23, 2014.
2 Refer to "Non-IFRS Measures: Cash Cost per Ounce" section in this MD&A.

Liquidity

As of June 30, 2015, the Company's cash totalled $5.6 million, compared to $15.2 million at December 31, 2014. Working capital decreased to $15.3 million at June 30, 2015 from $21.1 million at December 31, 2014, a decrease of $5.8 million. Current liabilities as at June 30, 2015 were $8.2 million which is $7.6 million lower than at December 31, 2014.

The change in cash since December 31, 2014 can be summarized as follows (in millions of U.S. dollars):

Opening cash as at December 31, 2014	$ 15.2
Cash used in operations	(0.3)
Capital expenditures	(5.7)
Care and maintenance costs	(1.5)
Closure of foreign exchange contracts	(0.4)
Decrease in receivables due to timing of shipments	2.7
Change in inventories during the period	0.5
Decrease in payables during the period	(4.9)
Closing cash as at June 30, 2015	$ 5.6

Working capital was impacted during the period mainly due to cash used in: the ongoing operations; capital expenditures; the closure of foreign exchange contracts; transaction-related expenses and other payables; and care and maintenance costs. Care and maintenance costs in the period were due to the cessation of the El Cajón Project and are not expected to be significant in future periods.

Effective June 30, 2015, the Company amended the terms of its existing C$8.5 million credit agreement with Royal Capital Management Corporation to extend the maturity from August 2016 to December 2017 and reschedule amortization payments to January 2017 in monthly increments of C$0.5 million, with the balance due and payable on maturity. This amendment shifts the principal repayments of C$2.5 million in 2015 and C$6.0 million in 2016 into fiscal 2017 improving the Company's liquidity in the near term.

On August 14, 2015, the Company announced its intention to raise gross proceeds of a minimum of C$1.7 million through private placement of 9,444,444 units at a price of C$0.18 per unit. Each unit will consist of one common share and one half of one common share purchase warrant where each whole warrant is exercisable for one common share at an exercise price of C$0.25 for a period of three years.

On August 13, 2015, the Company agreed to terms regarding a credit agreement with a certain lender for a principal amount of $1.0 million for a term of one year, at an interest rate of 12% per annum, payable on a monthly basis beginning on the fifth month following closing. Beginning on the sixth month following the date of issue, the notes will be redeemed in monthly increments of $75,000 (including the monthly interest payment) with the balance due and payable on maturity.

The Company operates in a cyclical industry where levels of cash flow have historically been correlated to market prices for commodities. Several material uncertainties, such as the price of commodities and foreign currency exchange rates, cast significant doubt upon the going concern assumption. 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 is continuously evaluating viable financing alternatives to ensure sufficient liquidity including private equity financing, debt instruments, concentrate offtake agreements, sales of non-core assets, and the issuance of equity. Should commodity prices remain at current levels, the Company may require external funding to advance its development projects (such as San Rafael) and to support ongoing operations. Further reductions in staff may be necessary and capital expenditures may also be further reduced in order to address near-term cash flow demands. In the longer term, as the Cosalá Operations and Galena Complex are optimized and if the outlook for the silver price is 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 facility, 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 14 in the audited consolidated financial statements of the Company and the notes thereto for the years ended December 31, 2014). Although both pension plans are under-funded due to actuarial losses incurred from market conditions, 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 $0.8 million per year for each of the next 5 years, with approximately $0.2 million to spend for the remainder of 2015 (as of August 14, 2015).

Capital Resources

The Company's cash flow is dependent on delivery of its concentrates to its smelters and concentrate traders. The Company's contracts with these parties provide for provisional payments based on timing of concentrate deliveries. The Company has not had any problems collecting payments from smelters 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 $5.7 million during the six months ended June 30, 2015 and $5.9 million for the same period of 2014, of which $4.8 million was spent towards drilling and underground development costs while $0.9 million was spent on purchase of property, plant and equipment. All of these projects are dependent upon the Company maintaining a strong capital position. The Company plans to continue underground exploration utilizing diamond core drilling.

The following table sets out the Company's contractual obligations as of June 30, 2015:

	Total	Less than 3 months	3 months to 1 year	2-5 years	Over 5 years
Trade and other payables	$ 8,217	$ 8,217	$ -	$ -	$ -
Credit facility	6,805	-	-	6,805	-
Interest on credit facility	1,739	207	621	911	-
Leases	56	7	21	28	-
Other long-term liabilities	575	-	-	-	575
Decommissioning provision	4,862	6	83	818	3,955
Total	$ 22,254	$ 8,437	$ 725	$ 8,562	$ 4,530

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 three months ended June 30, 2015.

Risk Factors

The Company manages a number of risks to achieve an acceptable level of risk without appreciably hindering its ability to maximize returns. Management has procedures in place to identify and manage significant operational and financial risks. A discussion of risk factors relating to the Company is found under the heading "Risk Factors" in the Company's Annual Information Form dated March 30, 2015 and its MD&A for the year ended December 31, 2014. Each of the discussions referred to above is incorporated by reference herein. The documents referred to above are available on SEDAR at www.sedar.com.

Accounting Standards and Pronouncements

Accounting standards issued but not yet applied

There have been no new accounting pronouncements issued in the first half of 2015 that are expected to impact the Company. For a summary of recent pronouncements, see note 3 in the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2015.

Financial Instruments

At December 31, 2014, the Company had foreign exchange derivatives put in place by the Company's previous management to buy 60 million Mexican pesos extendable month to month at an average exchange rate of 13.13 MXP/USD valued at approximately $4.6 million. At June 30, 2015, the Company had settled all outstanding foreign exchange derivatives resulting in a net realized loss of approximately $0.6 million on these contracts.

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 June 30, 2015, there were 336,057,650 common shares issued and outstanding.

As at August 14, 2015, there were 336,057,650 common shares of the Company issued and outstanding and 25,876,979 options outstanding which are exchangeable in common shares of the Company. The number of common shares issuable on the exercise of warrants is 44,104,016.

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 June 30, 2015, the Company's CEO and CFO have certified that the DC&P are effective and that during the quarter ended June 30, 2015 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, exploration spending and mine general administrative costs.

Reconciliation of Consolidated Cash Cost per Ounce

	Q2-2015	Q2-2014	YTD-2015	YTD-2014
Direct mining costs ('000)	$ 12,113	$ 6,216	$ 24,843	$ 12,867
Smelting, refining and royalty expenses ('000)	3,405	1,903	7,181	3,646
	15,518	8,119	32,024	16,513
Less by-product credits ('000)	(7,353)	(4,755)	(15,033)	(9,120)
Total cash costs ('000)	$ 8,165	$ 3,364	$ 16,991	$ 7,393
Divided by silver produced (oz)	661,393	316,722	1,369,634	610,670
Silver cash costs ($/oz)	$ 12.35	$ 10.62	$ 12.41	$ 12.11

Reconciliation of Cosalá Cash Cost per Ounce

	Q2-2015	Q2-2014	YTD-2015	YTD-2014
Direct mining costs ('000)	$ 5,069	$ 6,216	$ 10,479	$ 12,867
Smelting, refining and royalty expenses ('000)	2,138	1,903	4,467	3,646
	7,207	8,119	14,946	16,513
Less by-product credits ('000)	(4,395)	(4,755)	(9,022)	(9,120)
Total cash costs ('000)	$ 2,812	$ 3,364	$ 5,924	$ 7,393
Divided by silver produced (oz)	304,610	316,722	621,226	610,670
Silver cash costs ($/oz)	$ 9.23	$ 10.62	$ 9.54	$ 12.11

Reconciliation of Galena Complex Cash Cost per Ounce

	Fiscal Q2-2015 [1]	Calendar Q2-2014 [1]	Fiscal YTD-2015 [1]	Calendar YTD-2014 [1]
Direct mining costs ('000)	$ 7,044	$ 7,566	$ 14,364	$ 15,357
Smelting, refining and royalty expenses ('000)	1,267	1,398	2,714	2,303
	8,311	8,964	17,078	17,660
Less by-product credits ('000)	(2,958)	(2,556)	(6,011)	(4,065)
Total cash costs ('000)	$ 5,353	$ 6,408	$ 11,067	$ 13,595
Divided by silver produced (oz)	356,783	520,723	748,408	906,226
Silver cash costs ($/oz)	$ 15.00	$ 12.31	$ 14.79	$ 15.00

[1] Production from Galena Complex operations are included since December 23, 2014.
Values for calendar year 2014 are presented for information purposes only.

Reconciliation of Consolidated All-In Sustaining Cost per Ounce

		Q2-2015		Q2-2014		YTD-2015		YTD-2014
Total cash costs ('000)	$	8,165	$	3,364	$	16,991	$	7,393
Capital expenditures ('000)		2,656		3,897		5,657		6,023
Exploration costs ('000)		225		-		545		-
Total all-in sustaining costs ('000)	$	11,046	$	7,261	$	23,193	$	13,416
Divided by silver produced (oz)		661,393		316,722		1,369,634		610,670
Silver cash costs ($/oz)	$	16.70	$	22.93	$	16.93	$	21.97

Reconciliation of Cosalá All-In Sustaining Cost per Ounce

		Q2-2015		Q2-2014		YTD-2015		YTD-2014
Total cash costs ('000)	$	2,812	$	3,364	$	5,924	$	7,393
Capital expenditures ('000)		938		3,897		2,064		6,023
Exploration costs ('000)		10		-		254		-
Total all-in sustaining costs ('000)	$	3,760	$	7,261	$	8,242	$	13,416
Divided by silver produced (oz)		304,610		316,722		621,226		610,670
Silver cash costs ($/oz)	$	12.34	$	22.92	$	13.27	$	21.97

Reconciliation of Galena Complex All-In Sustaining Cost per Ounce

		Fiscal Q2-2015 [1]		Calendar Q2-2014 [1]		Fiscal YTD-2015 [1]		Calendar YTD-2014 [1]
Total cash costs ('000)	$	5,353	$	6,408	$	11,067	$	13,595
Capital expenditures ('000)		1,718		1,398		3,593		3,238
Exploration costs ('000)		215		191		291		396
Total all-in sustaining costs ('000)	$	7,286	$	7,997	$	14,951	$	17,229
Divided by silver produced (oz)		356,783		520,723		748,408		906,226
Silver cash costs ($/oz)	$	20.42	$	15.36	$	19.98	$	19.01

[1] Production from Galena Complex operations are included since December 23, 2014.
Values for calendar year 2014 are presented for information purposes only.