
AMERICAS GOLD AND SILVER CORPORATION

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2020 and 2019
(In thousands of U.S. dollars, unless otherwise stated, unaudited)

Americas Gold and Silver Corporation

Condensed interim consolidated statements of financial position
(In thousands of U.S. dollars, unaudited)

As at	March 31, 2020	December 31, 2019
Assets		
Current assets		
Cash and cash equivalents	\$ 16,359	\$ 19,998
Trade and other receivables (Note 6)	2,201	5,269
Inventories (Note 7)	6,844	7,159
Prepaid expenses	1,474	1,914
Derivative instruments (Note 19)	-	585
	<u>26,878</u>	<u>34,925</u>
Non-current assets		
Restricted cash	3,980	4,007
Inventories (Note 7)	981	1,339
Property, plant and equipment (Note 8)	210,466	190,389
Deferred tax assets (Note 18)	343	343
Total assets	<u>\$ 242,648</u>	<u>\$ 231,003</u>
Liabilities		
Current liabilities		
Trade and other payables	\$ 20,846	\$ 22,709
Deferred revenue (Note 9)	8,468	2,029
Derivative instruments (Note 19)	410	4,440
Glencore pre-payment facility (Note 11)	4,673	5,602
	<u>34,397</u>	<u>34,780</u>
Non-current liabilities		
Other long-term liabilities	6,439	5,645
Deferred revenue (Note 9)	22,101	22,978
Convertible debenture (Note 10)	9,940	9,935
Post-employment benefit obligations	13,204	10,137
Decommissioning provision	8,001	7,765
Deferred tax liabilities (Note 18)	303	750
Total liabilities	<u>94,385</u>	<u>91,990</u>
Equity		
Share capital (Note 12)	297,097	284,673
Equity reserve	38,912	38,061
Foreign currency translation reserve	6,866	6,695
Deficit	<u>(208,760)</u>	<u>(203,138)</u>
Attributable to shareholders of the Company	134,115	126,291
Non-controlling interests (Note 14)	14,148	12,722
Total equity	<u>\$ 148,263</u>	<u>\$ 139,013</u>
Total liabilities and equity	<u>\$ 242,648</u>	<u>\$ 231,003</u>

Contingencies (Note 21), Subsequent events (Note 22)

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

Americas Gold and Silver Corporation

Condensed interim consolidated statements of loss and comprehensive loss
(In thousands of U.S. dollars, except share and per share amounts, unaudited)

	For the three-month period ended	
	March 31, 2020	March 31, 2019
Revenue (Note 15)	\$ 7,265	\$ 17,826
Cost of sales (Note 16)	(9,835)	(12,470)
Depletion and amortization (Note 8)	(2,315)	(3,462)
Care and maintenance costs	(945)	(96)
Corporate general and administrative (Note 17)	(1,908)	(1,230)
Transaction costs (Note 5)	(23)	(977)
Exploration costs	(1,400)	(602)
Accretion on decommissioning provision	(59)	(49)
Interest and financing expense	(92)	(701)
Foreign exchange gain	743	41
Gain (loss) on derivative instruments (Note 10 and 19)	3,998	(1,026)
Gain on derivative warrant liability	-	59
Loss before income taxes	(4,571)	(2,687)
Income tax recovery (expense) (Note 18)	426	(126)
Net loss	<u>\$ (4,145)</u>	<u>\$ (2,813)</u>
Attributable to:		
Shareholders of the Company	\$ (2,480)	\$ (2,813)
Non-controlling interests	(1,665)	-
Net loss	<u>\$ (4,145)</u>	<u>\$ (2,813)</u>
Other comprehensive loss		
Items that will not be reclassified to net loss		
Remeasurement of post-employment benefit obligations	\$ (3,142)	\$ -
Items that may be reclassified subsequently to net loss		
Foreign currency translation reserve	171	(425)
Other comprehensive loss	(2,971)	(425)
Comprehensive loss	<u>\$ (7,116)</u>	<u>\$ (3,238)</u>
Attributable to:		
Shareholders of the Company	\$ (4,194)	\$ (3,238)
Non-controlling interests	(2,922)	-
Comprehensive loss	<u>\$ (7,116)</u>	<u>\$ (3,238)</u>
Loss per share attributable to shareholders of the Company		
Basic and diluted	(0.03)	(0.06)
Weighted average number of common shares outstanding		
Basic and diluted (Note 13)	87,819,387	44,721,090

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

Americas Gold and Silver Corporation

Condensed interim consolidated statements of changes in equity

For the three-month periods ended March 31, 2020 and 2019

(In thousands of U.S. dollars, except share amounts in thousands of units, unaudited)

	Share capital				Equity reserve	Foreign currency translation reserve	Deficit	Attributable to shareholders of the Company	Non-controlling interests	Total equity
	Common Shares	Common Amount	Preferred Shares	Preferred Amount						
Balance at January 1, 2020	86,607	\$ 284,512	104	\$ 161	\$ 38,061	\$ 6,695	\$ (203,138)	\$ 126,291	\$ 12,722	\$ 139,013
Net loss for the period	-	-	-	-	-	-	(2,480)	(2,480)	(1,665)	(4,145)
Other comprehensive income (loss) for the period	-	-	-	-	-	171	(3,142)	(2,971)	-	(2,971)
Contribution from non-controlling interests	-	-	-	-	-	-	-	-	3,091	3,091
At-the-market offering	7,926	12,424	-	-	-	-	-	12,424	-	12,424
Share-based payments	-	-	-	-	851	-	-	851	-	851
Conversion of preferred shares	104	161	(104)	(161)	-	-	-	-	-	-
Balance at March 31, 2020	94,637	\$ 297,097	-	\$ -	\$ 38,912	\$ 6,866	\$ (208,760)	\$ 134,115	\$ 14,148	\$ 148,263
Balance at January 1, 2019	43,402	\$ 212,943	-	\$ -	\$ 34,837	\$ 6,541	\$ (170,125)	\$ 84,196	\$ -	\$ 84,196
Net loss for the period	-	-	-	-	-	-	(2,813)	(2,813)	-	(2,813)
Other comprehensive loss for the period	-	-	-	-	-	(425)	-	(425)	-	(425)
Share-based payments	-	-	-	-	116	-	-	116	-	116
Exercise of warrants	1,990	2,847	-	-	(848)	-	-	1,999	-	1,999
Balance at March 31, 2019	45,392	\$ 215,790	-	\$ -	\$ 34,105	\$ 6,116	\$ (172,938)	\$ 83,073	\$ -	\$ 83,073

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Condensed interim consolidated statements of cash flows
For the three-month periods ended March 31, 2020 and 2019
(In thousands of U.S. dollars, unaudited)

	March 31, 2020	March 31, 2019
Cash flow generated from (used in)		
Operating activities		
Net loss for the period	\$ (4,145)	\$ (2,813)
Adjustments for the following items:		
Depletion and amortization	2,315	3,462
Income tax expense (recovery)	(426)	126
Accretion and decommissioning costs	59	49
Share-based payments	756	117
Provision on other long-term liabilities	25	15
Deferred costs on convertible loans	-	361
Deferred costs on convertible debenture	5	-
Deferred revenue	5,000	-
Cash received from bond on decommissioning costs	(3)	-
Net charges on post-employment benefit obligations	(75)	105
Loss (gain) on derivative instruments	(3,445)	1,187
Gain on derivative warranty liability	-	(44)
	<u>66</u>	<u>2,565</u>
Changes in non-cash working capital items:		
Trade and other receivables	3,068	(1,597)
Inventories	673	(927)
Prepaid expenses	440	258
Trade and other payables	(2,763)	178
Net cash generated from operating activities	<u>1,484</u>	<u>476</u>
Investing activities		
Expenditures on property, plant and equipment	(4,668)	(2,291)
Development costs on Relief Canyon Mine	(14,885)	-
Investment in convertible loan receivable	-	(800)
Net cash used in investing activities	<u>(19,553)</u>	<u>(3,091)</u>
Financing activities		
Repayments to Glencore pre-payment facility	(929)	(1,417)
Payments to lease liabilities	(747)	(60)
Financing from promissory note	-	3,000
At-the-market offering	12,814	-
Proceeds from exercise of warrants	-	1,399
Contribution from non-controlling interests	3,091	-
Net cash generated from financing activities	<u>14,229</u>	<u>2,922</u>
Effect of foreign exchange rate changes on cash	201	(339)
Decrease in cash and cash equivalents	<u>(3,639)</u>	<u>(32)</u>
Cash and cash equivalents, beginning of period	19,998	3,464
Cash and cash equivalents, end of period	<u>\$ 16,359</u>	<u>\$ 3,432</u>
Cash and cash equivalents consist of:		
Cash	\$ 16,359	\$ 3,422
Term deposits	-	-
	<u>\$ 16,359</u>	<u>\$ 3,422</u>
Interest paid during the period	\$ 426	\$ 370

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

Americas Gold and Silver Corporation

Notes to the condensed interim consolidated financial statements
For the three-month periods ended March 31, 2020 and 2019
(In thousands of U.S. dollars, unless otherwise stated, unaudited)

1. Corporate information

Americas Gold and Silver Corporation (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 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 condensed interim consolidated financial statements of the Company for the three months ended March 31, 2020 were approved and authorized for issue by the Board of Directors of the Company on May 15, 2020.

2. Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) which the Canadian Accounting Standards Board has approved for incorporation into Part 1 of the Handbook of Chartered Professional Accountants of Canada applicable to the preparation of interim financial statements, including International Accounting Standard (“IAS”) 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Company’s annual consolidated financial statements as at and for the year ended December 31, 2019. In particular, the Company’s significant accounting policies were summarized in Note 3 of the consolidated financial statements for the year ended December 31, 2019 and have been consistently applied in the preparation of these condensed interim consolidated financial statements. These unaudited condensed interim consolidated financial statements were prepared on a going concern basis.

3. Changes in accounting policies and recent accounting pronouncements

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. These standards are not expected to have a material impact on the Company in the current or future reporting periods.

4. Significant accounting judgments and estimates

The preparation of the condensed interim consolidated 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 significantly from those estimates.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company’s annual consolidated financial statements as at and for the year ended December 31, 2019.

The Company has been closely monitoring developments in the COVID-19 outbreak declared as a global pandemic on March 11, 2020. Preventive measures to ensure the safety of the Company’s workforce and local communities have been implemented and there have been no outbreaks of COVID-19 at any of the Company’s operations to date. All of the Company’s mining and corporate operations continue to operate with the exception of mining operations in Cosalá as the Mexican government issued a national decree to suspend non-essential businesses, including mining operations. Statements issued by the Mexican government in May are expected to allow for the re-opening of mining operations starting in June 2020, which may allow the Cosalá Operations to resume operations early in the second half of 2020. The Company continues to manage and respond to COVID-19 to mitigate and minimize potential impacts of this global pandemic, in addition to other uncertainties, such as the price of commodities, gold recovery from Relief Canyon, and illegal blockade at the Cosalá Operations.

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5. Acquisition of Pershing Gold Corporation

On April 3, 2019, the Company obtained control and completed the acquisition of Pershing Gold Corporation ("Pershing Gold") via an agreement and plan of merger dated September 28, 2018. The merger was completed by the Company acquiring all the outstanding common and preferred shares of Pershing Gold through exchanging each outstanding Pershing Gold common share for 0.715 common shares of the Company and exchanging each outstanding Pershing Gold preferred share for 461.44 common or preferred shares of the Company. Outstanding Pershing Gold options and restricted share units were exchanged for the Company's common share considerations and outstanding Pershing Gold warrants became exercisable for the Company's common shares under the same exchange ratio.

The merger has been accounted for as a business combination with the Company identified as the acquirer for accounting purposes.

The consideration paid is calculated as follows:

Non-diluted Pershing Gold common shares outstanding, April 3, 2019	33,686,921
Implicit share exchange ratio	0.715
The Company's common shares exchanged for Pershing Gold common shares	<u>24,085,928</u>
The Company's common share price, April 3, 2019 (USD)	1.55
Total common share consideration	<u>\$ 37,418</u>
Consideration on the exchange of Pershing Gold for the Company's equity instruments:	
Preferred shares exchanged for common shares	383
Preferred shares exchanged for preferred shares	5,714
Restricted share units exchanged for common shares	803
Warrants exchanged for warrants	<u>1</u>
Total equity consideration	<u>44,319</u>
Pre-existing convertible loan from the Company to Pershing Gold	2,913
Total consideration	<u>\$ 47,232</u>

The purchase price allocation is as follows:

Cash and cash equivalents	\$	241
Prepaid expenses		609
Restricted cash		3,787
Property, plant and equipment		49,272
Trade and other payables		(5,454)
Decommission provision		(1,223)
Net assets acquired	<u>\$</u>	<u>47,232</u>

The acquisition of Pershing Gold by the Company was completed on April 3, 2019. As of the date of these consolidated financial statements, the determination of fair value of assets and liabilities acquired has been finalized.

6. Trade and other receivables

	<u>March 31,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
Trade receivables	\$ 1,636	\$ 4,560
Value added taxes receivable	283	636
Other receivables	282	73
	<u>\$ 2,201</u>	<u>\$ 5,269</u>

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7. Inventories

	March 31, 2020	December 31, 2019
Concentrates	\$ 1,013	\$ 1,292
Current ore stockpiles	608	497
Spare parts and supplies	5,223	5,370
	<u>6,844</u>	<u>7,159</u>
Long-term ore stockpiles	981	1,339
	<u>\$ 7,825</u>	<u>\$ 8,498</u>

The amount of inventories recognized as an expense was \$9.8 million during the three-month period ended March 31, 2020 (2019: \$12.5 million). During the three-month period ended March 31, 2020, the concentrates and ore stockpiles, and spare parts and supplies write-down to net realizable value included in cost of sales was \$0.7 million (2019: \$0.4 million) and nil (2019: nil), respectively.

8. Property, plant and equipment

	Mining interests	Non-producing properties	Plant and equipment	Right-of-use lease assets	Corporate office equipment	Total
Cost						
Balance at January 1, 2019	\$ 113,428	\$ -	\$ 54,542	\$ -	\$ 95	\$ 168,065
Acquisition of Pershing Gold	-	34,335	14,927	-	10	49,272
Asset additions	7,600	11,236	19,936	7,358	17	46,147
Change in decommissioning provision	93	2,510	-	-	-	2,603
Reclassification	-	9,263	(343)	343	-	9,263
Balance at December 31, 2019	<u>121,121</u>	<u>57,344</u>	<u>89,062</u>	<u>7,701</u>	<u>122</u>	<u>275,350</u>
Asset additions	2,242	11,530	6,320	2,100	22	22,214
Change in decommissioning provision	(183)	361	-	-	-	178
Balance at March 31, 2020	<u>\$ 123,180</u>	<u>\$ 69,235</u>	<u>\$ 95,382</u>	<u>\$ 9,801</u>	<u>\$ 144</u>	<u>\$ 297,742</u>
Accumulated depreciation and depletion						
Balance at January 1, 2019	\$ 41,610	\$ -	\$ 29,964	\$ -	\$ 49	\$ 71,623
Depreciation/depletion for the period	8,605	-	4,415	305	13	13,338
Balance at December 31, 2019	<u>50,215</u>	<u>-</u>	<u>34,379</u>	<u>305</u>	<u>62</u>	<u>84,961</u>
Depreciation/depletion for the period	1,333	-	901	77	4	2,315
Balance at March 31, 2020	<u>\$ 51,548</u>	<u>\$ -</u>	<u>\$ 35,280</u>	<u>\$ 382</u>	<u>\$ 66</u>	<u>\$ 87,276</u>
Carrying value						
at December 31, 2019	<u>\$ 70,906</u>	<u>\$ 57,344</u>	<u>\$ 54,683</u>	<u>\$ 7,396</u>	<u>\$ 60</u>	<u>\$ 190,389</u>
at March 31, 2020	<u>\$ 71,632</u>	<u>\$ 69,235</u>	<u>\$ 60,102</u>	<u>\$ 9,419</u>	<u>\$ 78</u>	<u>\$ 210,466</u>

As at January 1, 2019, the Company recognized \$0.9 million of right-of-use assets from leases upon adoption of IFRS 16 using the modified retrospective approach, where \$0.1 million were from the Cosalá Operations, \$0.3 million were from the Galena Complex, and \$0.5 million were from Corporate and Other. The associated lease liabilities were classified into trade and other payables and other long-term liabilities in the consolidated statement of financial position.

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. 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. The Company made three of the remaining eight contractual quarterly option payments of \$0.75 million to Hochschild during the year ended December 31, 2019. As at December 31, 2019, the property purchase option was reclassified to property, plant and

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equipment as its carrying amount of \$9.3 million will be recovered principally through continuing use. Five contractual quarterly option payments of \$0.75 million remains outstanding as at March 31, 2020. Further details of the option are disclosed in Note 8 of the consolidated financial statements for the year ended December 31, 2018.

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. No impairment or impairment reversal were identified for the three-month period ended March 31, 2020.

The amount of borrowing costs capitalized as property, plant and equipment was \$0.7 million during the three-month period ended March 31, 2020 (2019: nil).

The carrying amount of property and equipment from the developing Relief Canyon Mine is approximately \$35.2 million as at March 31, 2020.

9. Deferred revenue

On April 3, 2019, the Company entered into a \$25 million precious metals delivery and purchase agreement (the "Purchase Agreement") with Sandstorm Gold Ltd. ("Sandstorm") for the construction and development of Pershing Gold's Relief Canyon Mine. The Purchase Agreement consists of a combination of fixed and variable deliveries from the Relief Canyon Mine. The Purchase Agreement has a repurchase option for the Company exercisable at any time to reduce the variable deliveries to Sandstorm from 4% to 2% by delivering 4,000 ounces of gold plus additional ounces of gold compounded annually at 10%. On initial recognition and as at March 31, 2020, the fair value of the repurchase option was nil.

On January 16, 2020, the Company entered into a \$5 million precious metals delivery and purchase agreement with Macquarie Bank Ltd. ("Macquarie") for working capital purposes at the Relief Canyon Mine. The \$5 million advance will be settled through monthly fixed deliveries of gold production ounces from the Relief Canyon Mine during the second half of 2020.

The Company recorded the advances received on precious metals delivery, net of transaction costs, as deferred revenue and will recognize the amounts in revenue as performance obligations to metals delivery are satisfied over the term of the metals delivery and purchase agreements. The advances received on precious metals delivery is expected to reduce to nil through deliveries of the Company's own production to Sandstorm and Macquarie. The Company determined the amortization of deferred revenue on a per unit basis to be equal to the expected total deliveries of gold ounces over the term of the precious metals delivery and purchase agreements.

Interest expense of \$0.6 million was capitalized as borrowing costs to property, plant and equipment during the three-month period ended March 31, 2020 (2019: nil) in connection with the accretion of a significant financing component determined from the advances received on precious metals delivery.

The following are components of deferred revenue as at March 31, 2020:

Advances received	\$ 30,000
Deferred transaction costs	(466)
Accretion on significant financing component	1,035
Deferred revenue	<u>30,569</u>
Less: current portion	(8,468)
Non-current portion	<u>\$ 22,101</u>

10. Convertible debenture

On April 3, 2019, the Company issued a \$10 million convertible debenture (the "Convertible Debenture") to Sandstorm due April 3, 2023 with interest payable at 6% per annum and repayable at the Company's option prior to maturity. The funds available under the Convertible Debenture included the principal amount of the \$3 million unsecured, promissory note previously issued to Sandstorm by the Company.

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The Convertible Debenture may be converted into common shares of the Company at Sandstorm's option at a conversion price of \$2.14 and may be prepaid at the Company's option at any time prior to the maturity date. The Company recorded a net derivative liability of nil on initial recognition based on the estimated fair value of the conversion and prepayment option and recognized a gain of \$4.0 million in the consolidated statements of loss and comprehensive loss for the three-month period ended March 31, 2020 (2019: nil) as a result of the change in the estimated fair value of the conversion and prepayment option.

Interest expense of \$0.1 million was capitalized as borrowing costs to property, plant and equipment for the three-month periods ended March 31, 2020 (2019: nil) in connection with the Convertible Debenture.

The initial fair value of the principal portion of the Convertible Debenture 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 conversion option.

11. Glencore 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 Mine 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 and \$5.5 million were paid during the year ended December 31, 2018, and 2019, respectively. The Company paid \$0.9 million during the three-month period ended March 31, 2020.

12. Share capital

On April 3, 2019, the Company entered into a subscription agreement with Sandstorm to issue \$10 million CAD of the Company's common shares based on the 5-day volume weighted average price at approximately \$2.09 CAD per share, resulting in the issuance of 4,784,689 of the Company's common shares.

On July 26, 2019, the Company closed a non-brokered private placement with Mr. Eric Sprott for gross proceeds of \$10 million through issuance of 3,955,454 of the Company's common shares priced at approximately \$3.30 CAD per share. As part of the non-brokered private placement, \$0.4 million in transaction costs was incurred and 118,664 warrants were issued to the Company's advisor where each warrant is exercisable for one common share at an exercise price of \$3.37 CAD for a period of three years starting July 25, 2019.

On February 18, 2020, the Company entered into an at-the-market offering agreement (the "ATM Agreement") where the Company may at its discretion and from time-to-time during the term of the ATM Agreement, sell in the United States, through its agent, such number of common shares of the Company as would result in aggregate gross proceeds of up to \$15.0 million. As at March 31, 2020, the Company has received aggregate gross proceeds of \$12.8 million through issuance of 7,926,195 common shares from the ATM Agreement.

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a. Authorized

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

	<u>March 31,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>
Issued		
94,637,324 (2019: 86,607,305) common shares	\$ 297,097	\$ 284,512
Nil (2019: 103,824) preferred shares	-	161
	<u>\$ 297,097</u>	<u>\$ 284,673</u>

Each non-voting preferred share is convertible, at the holder's option, without payment of any additional consideration by the holder thereof, initially on a one-to-one basis into common shares, subject to adjustment, and in accordance with the terms of the non-voting preferred shares.

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:

	<u>March 31,</u> <u>2020</u>		<u>December 31,</u> <u>2019</u>	
	Number	Weighted average exercise price	Number	Weighted average exercise price
	(thousands)	CAD	(thousands)	CAD
Balance, beginning of period	8,021	\$ 3.29	3,160	\$ 3.77
Granted	-	-	5,915	2.86
Exercised	-	-	(1,014)	2.33
Expired	(839)	3.86	(40)	2.39
Balance, end of period	<u>7,182</u>	<u>\$ 3.22</u>	<u>8,021</u>	<u>\$ 3.29</u>

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The following table summarizes information on stock options outstanding and exercisable as at March 31, 2020:

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	2.02	3,292	\$ 2.39	1,012	\$ 2.39
3.01 to 4.00	4.57	2,495	3.55	872	3.57
4.01 to 5.00	0.77	1,355	4.58	1,355	4.58
5.01 to 6.00	0.82	40	5.55	40	5.55
		<u>7,182</u>	\$ 3.22	<u>3,279</u>	\$ 3.65

c. Share-based payments

There were no stock options granted by the Company during the three-month periods ended March 31, 2020 and 2019. The Company uses the Black-Scholes Option Pricing Model to estimate fair value.

	March 31, 2020	March 31, 2019
Share-based payments included in cost of sales	\$ -	\$ -
Share-based payments included in general and administrative expenses	699	99
Total share-based payments	<u>\$ 699</u>	<u>\$ 99</u>

d. Warrants

The warrants that are issued and outstanding as at March 31, 2020 are as follows:

Number of warrants	Exercise price (CAD)	Issuance date	Expiry date
1,447,426	4.68	Jun 2016	Jun 9, 2021
799,065	4.68	Jul 2016	Jun 14, 2021
1,074,999	3.12	Oct 2018	Oct 1, 2023
15,889	11.32	Apr 2019	May 6, 2022
389,771	2.40	May 2019	May 13, 2022
1,241,200	2.40	May 2019	May 29, 2022
118,664	3.37	Jul 2019	Jul 25, 2022
177,506	4.45	Oct 2019	Oct 30, 2022
<u>5,264,520</u>			

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 March 31, 2020, 153,660 (December 31, 2019: 89,196) restricted share units are outstanding at an aggregate value of \$0.3 million (December 31, 2019: \$0.3 million).

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f. Deferred Share Units:

The Company has a Deferred Share Unit Plan under which eligible directors of the Company 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 March 31, 2020, 410,591 (December 31, 2019: 323,333) deferred share units are issued and outstanding.

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

	Three-month period ended March 31, 2020	Three-month period ended March 31, 2019
Basic weighted average number of shares	87,819,387	44,721,090
Effect of dilutive shares, options and warrants	-	-
Diluted weighted average number of shares	<u>87,819,387</u>	<u>44,721,090</u>

Diluted weighted average number of common shares for the three-month period ended March 31, 2020 excludes nil anti-dilutive preferred shares (2019: nil), 7,182,290 anti-dilutive stock options (2019: 3,159,993) and 5,264,520 anti-dilutive warrants (2019: 3,321,490).

14. Non-controlling interests

The Company entered into a joint venture agreement with Mr. Eric Sprott effective October 1, 2019 for 40% non-controlling interest of the Company's Galena Complex with initial contribution of \$15 million to fund capital improvements and operations. Mr. Eric Sprott committed to contributing additional funds to support the ongoing operations alongside the Company in proportion of their respective ownership up to \$5 million for the first year of operations with the Company contributing any potential excess as necessary. After the first year, contributions revert to the proportional percentage of ownership interests to fund capital projects and operations.

The Company recognized non-controlling interests of \$14.3 million equal to the proportionate non-controlling interests' carrying amount of the Galena Complex at initial recognition classified as a separate component of equity. Subsequent contributions and proportionate share changes in equity are recognized to the carrying amount of the non-controlling interests.

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15. Revenue

The following is a disaggregation of revenue categorized by commodities sold for the three-month periods ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
Silver		
Provisional sales revenue	\$ 4,518	\$ 5,947
Derivative pricing adjustments	(85)	(98)
	<u>4,433</u>	<u>5,849</u>
Zinc		
Provisional sales revenue	\$ 3,077	\$ 13,343
Derivative pricing adjustments	(1,317)	317
	<u>1,760</u>	<u>13,660</u>
Lead		
Provisional sales revenue	\$ 4,446	\$ 7,386
Derivative pricing adjustments	(147)	57
	<u>4,299</u>	<u>7,443</u>
Other by-products		
Provisional sales revenue	\$ 15	\$ 182
Derivative pricing adjustments	36	(33)
	<u>51</u>	<u>149</u>
Total provisional sales revenue	\$ 12,056	\$ 26,858
Total derivative pricing adjustments	(1,513)	243
Gross revenue	<u>\$ 10,543</u>	<u>\$ 27,101</u>
Treatment and selling costs	(3,278)	(9,275)
	<u>\$ 7,265</u>	<u>\$ 17,826</u>

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 19). 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 for the three-month periods ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
Salaries and employee benefits	\$ 5,402	\$ 6,590
Raw materials and consumables	2,647	5,243
Utilities	943	1,334
Other costs	170	230
Changes in inventories	673	(927)
	<u>\$ 9,835</u>	<u>\$ 12,470</u>

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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 for the three-month periods ended March 31, 2020 and 2019:

	March 31, 2020	March 31, 2019
Salaries and employee benefits	\$ 617	\$ 514
Directors' fees	84	94
Share-based payments	604	100
Professional fees	126	109
Office and general	477	413
	<u>\$ 1,908</u>	<u>\$ 1,230</u>

18. Income taxes

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual rate used for the three-month period ended March 31, 2020 was 26.5% and for the year ended December 31, 2019 was 26.5%.

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

	March 31, 2020	December 31, 2019
Alternative minimum tax credits	\$ 343	\$ 343
Provisions and reserves	2,101	2,101
Net operating losses	4,230	4,230
Total deferred tax assets	6,674	6,674
Property, plant and equipment	(6,331)	(6,331)
Net deferred tax assets	<u>\$ 343</u>	<u>\$ 343</u>

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

	March 31, 2020	December 31, 2019
Property, plant and equipment	\$ 845	\$ 851
Other	(115)	329
Total deferred tax liabilities	730	1,180
Provisions and reserves	(427)	(430)
Net deferred tax liabilities	<u>\$ 303</u>	<u>\$ 750</u>

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19. 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 March 31, 2020, the Company's exposure to credit risk with respect to trade receivables amounts to \$1.6 million (December 31, 2019: \$4.6 million). The Company believes credit risk for Mexican Value Added Taxes of \$0.3 million (December 31, 2019: \$0.6 million) is not significant as they relate to current amounts receivable from Mexican taxation authorities. There is no significant provision recorded for expected credit losses at March 31, 2020 and December 31, 2019.

(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 expected to be met through a variety of sources, including cash, cash generated from operations (including Relief Canyon upon reaching commercial production), 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:

	March 31, 2020				
	Total	Less than 1 year	2-3 years	4-5 years	Over 5 years
Trade and other payables	\$ 20,846	\$ 20,846	\$ -	\$ -	\$ -
Glencore pre-payment facility	4,673	4,673	-	-	-
Interest on Glencore pre-payment facility	105	105	-	-	-
Convertible debenture	10,000	-	-	10,000	-
Interest on convertible debenture	1,805	600	1,200	5	-
Projected pension contributions	6,592	1,171	2,570	2,060	791
Decommissioning provision	9,626	15	189	-	9,422
Other long-term liabilities	6,439	-	5,886	-	553
	<u>\$ 60,086</u>	<u>\$ 27,410</u>	<u>\$ 9,845</u>	<u>\$ 12,065</u>	<u>\$ 10,766</u>

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Minimum lease payments in respect to lease liabilities are included in trade and other payables and other long-term liabilities as follows:

	March 31, 2020				
	Total	Less than 1 year	2-3 years	4-5 years	Over 5 years
Trade and other payables	\$ 3,574	\$ 3,574	\$ -	\$ -	\$ -
Other long-term liabilities	6,126	-	6,126	-	-
	<u>\$ 9,700</u>	<u>\$ 3,574</u>	<u>\$ 6,126</u>	<u>\$ -</u>	<u>\$ -</u>

The following table summarizes the continuity of the Company's total lease liabilities discounted using an incremental borrowing ranging from 5% to 12% applied during the period:

	March 31, 2020	December 31, 2019
Lease liabilities, beginning of period	\$ 7,025	\$ 270
IFRS 16 adoption	-	527
Additions	1,870	6,478
Lease principal payments	(564)	(234)
Lease interest payments	(183)	(50)
Accretion on lease liabilities	179	34
Lease liabilities, end of period	<u>\$ 8,327</u>	<u>\$ 7,025</u>

(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. Interest rates of other financial instruments are fixed.

(2) Currency risk

As at March 31, 2020, 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 loss or other comprehensive loss due to currency fluctuations include CAD and MXP denominated assets and liabilities which are included in the following table:

	As at March 31, 2020	
	CAD	MXP
Cash and cash equivalents	\$ 403	\$ 114
Trade and other receivables	71	408
Trade and other payables	2,441	4,427

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As at March 31, 2020, the CAD/USD and MXP/USD exchange rates were 1.42 and 23.51, respectively. The sensitivity of the Company's net loss and comprehensive loss due to changes in the exchange rates for the three-month period ended March 31, 2020 is included in the following table:

	CAD/USD		MXP/USD	
	Exchange rate		Exchange rate	
	+/- 10%		+/- 10%	
Approximate impact on:				
Net loss	\$	194	\$	256
Other comprehensive loss		98		(115)

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

As at March 31, 2020, the Company does not have any non-hedge foreign exchange forward contracts outstanding (2019: 60.0 million MXP at average exchange rate of 20.64 MXP/USD with unrealized gain of nil recorded during the three-month period). During the three-month period ended March 31, 2020, the Company settled non-hedge foreign exchange forward contracts to buy approximately 26.0 million MXP (2019: 60.0 million MXP) and recorded a realized gain of nil through profit or loss (2019: realized gain of \$0.2 million).

(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 March 31, 2020, the Company had certain amounts related to the sales of concentrates that have only been provisionally priced. A $\pm 10\%$ fluctuation in silver, zinc, lead, copper and gold prices would affect trade receivables by approximately \$0.2 million.

As at March 31, 2020, the Company does not have any non-hedge commodity forward contracts outstanding (2019: 11.2 million pounds of zinc at \$1.21 per pound with unrealized loss of \$1.2 million recorded during the three-month period). During the three-month period ended March 31, 2020, the Company settled non-hedge commodity forward contracts for approximately 1.6 million and 3.3 million pounds of zinc and lead, respectively, (2019: nil) and recorded a realized gain of nil through profit or loss (2019: nil).

Net amount of gain or loss on derivative instruments from non-hedge foreign exchange and commodity forward contracts recognized through profit or loss during the three-month period ended March 31, 2020 was loss of \$4.0 million (2019: loss of \$1.0 million).

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 debenture: The principal portion of the convertible debenture is carried at amortized cost.

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- 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).

	March 31,	December 31,
	2020	2019
Level 1		
Cash and cash equivalents	\$ 16,359	\$ 19,998
Restricted cash	3,980	4,007
Level 2		
Trade and other receivables	2,201	5,269
Derivative instruments	410	3,855
Convertible debenture	9,940	9,935
Glencore pre-payment facility	4,673	5,602

20. Segmented and geographic information, and major customers

a. Segmented information

The Company's operations comprise of four 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 sales of concentrates for the three-month periods ended March 31, 2020 and 2019 were earned in Mexico and the United States. The following segmented information is presented as at March 31, 2020 and December 31, 2019, and for the three-month periods ended March 31, 2020 and 2019.

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	As at March 31, 2020					As at December 31, 2019				
	Cosalá Operations	Galena Complex	Relief Canyon	Corporate and Other	Total	Cosalá Operations	Galena Complex	Relief Canyon	Corporate and Other	Total
Cash and cash equivalents	\$ 177	\$ 10,672	\$ 445	\$ 5,065	\$ 16,359	\$ 2,903	\$ 14,761	\$ 770	\$ 1,564	\$ 19,998
Trade and other receivables	408	1,722	-	71	2,201	3,852	1,374	-	43	5,269
Inventories	5,956	1,869	-	-	7,825	6,361	2,137	-	-	8,498
Prepaid expenses	540	259	411	264	1,474	615	524	471	304	1,914
Derivative instruments	-	-	-	-	-	-	-	-	585	585
Restricted cash	116	54	3,810	-	3,980	145	55	3,807	-	4,007
Property, plant and equipment	54,900	51,101	104,078	387	210,466	56,094	47,672	86,201	422	190,389
Deferred tax assets	-	343	-	-	343	-	343	-	-	343
Total assets	\$ 62,097	\$ 66,020	\$ 108,744	\$ 5,787	\$ 242,648	\$ 69,970	\$ 66,866	\$ 91,249	\$ 2,918	\$ 231,003
Trade and other payables	\$ 6,281	\$ 5,202	\$ 5,864	\$ 3,499	\$ 20,846	\$ 9,241	\$ 3,805	\$ 6,506	\$ 3,157	\$ 22,709
Derivative instruments	-	-	-	410	410	-	-	-	4,440	4,440
Other long-term liabilities	-	562	5,584	293	6,439	-	566	4,495	584	5,645
Deferred revenue	-	-	-	30,569	30,569	-	-	-	25,007	25,007
Convertible debenture	-	-	-	9,940	9,940	-	-	-	9,935	9,935
Glencore pre-payment facility	4,673	-	-	-	4,673	5,602	-	-	-	5,602
Post-employment benefit obligations	-	13,204	-	-	13,204	-	10,137	-	-	10,137
Decommissioning provision	1,461	2,407	4,133	-	8,001	1,854	2,156	3,755	-	7,765
Deferred tax liabilities	303	-	-	-	303	750	-	-	-	750
Total liabilities	\$ 12,718	\$ 21,375	\$ 15,581	\$ 44,711	\$ 94,385	\$ 17,447	\$ 16,664	\$ 14,756	\$ 43,123	\$ 91,990

	Three-month period ended March 31, 2020					Three-month period ended March 31, 2019				
	Cosalá Operations	Galena Complex	Relief Canyon	Corporate and Other	Total	Cosalá Operations	Galena Complex	Corporate and Other	Total	
Revenue	\$ 1,390	\$ 5,875	\$ -	\$ -	\$ 7,265	\$ 12,837	\$ 4,989	\$ -	\$ 17,826	
Cost of sales	(2,217)	(7,618)	-	-	(9,835)	(5,739)	(6,731)	-	(12,470)	
Depletion and amortization	(966)	(1,260)	(57)	(32)	(2,315)	(2,519)	(912)	(31)	(3,462)	
Care and maintenance costs	(817)	(128)	-	-	(945)	(11)	(85)	-	(96)	
Corporate general and administrative	-	-	-	(1,908)	(1,908)	-	-	(1,230)	(1,230)	
Transaction costs	-	-	-	(23)	(23)	-	-	(977)	(977)	
Exploration costs	(384)	(896)	(120)	-	(1,400)	(531)	(71)	-	(602)	
Accretion on decommissioning provision	(32)	(9)	(18)	-	(59)	(37)	(12)	-	(49)	
Interest and financing expense	(82)	-	-	(10)	(92)	(200)	-	(501)	(701)	
Foreign exchange gain (loss)	743	-	-	-	743	90	-	(49)	41	
Gain (loss) on derivative instruments	-	-	-	3,998	3,998	-	-	(1,026)	(1,026)	
Gain on derivative warrant liability	-	-	-	-	-	-	-	59	59	
Income (loss) before income taxes	(2,365)	(4,036)	(195)	2,025	(4,571)	3,890	(2,822)	(3,755)	(2,687)	
Income tax recovery (expense)	426	-	-	-	426	(126)	-	-	(126)	
Net income (loss) for the period	\$ (1,939)	\$ (4,036)	\$ (195)	\$ 2,025	\$ (4,145)	\$ 3,764	\$ (2,822)	\$ (3,755)	\$ (2,813)	

c. Major customers

The Company sold concentrates to one customer during the three-month period ended March 31, 2020 (2019: one customer) accounting for 100% (2019: 100%) of revenues.

21. 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 \$8.4 million (MXP 196.8 million), of which \$3.6 million (MXP 84.4 million) would be applied against available tax losses. The Company appealed this reassessment and the Mexican tax authorities subsequently reversed \$4.0 million (MXP 94.6 million) of their original reassessment. The remaining \$4.3 million (MXP 102.2 million) consists of \$3.6 million (MXP 84.4 million) related to transactions with certain suppliers and \$0.8 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 \$0.8 million (MXP 17.8 million) to secure the value added tax portion of the reassessment. The deductions of \$3.6 million (MXP 84.4 million), if denied, would be offset by available tax losses. The Company accrued \$0.8 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.

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22. Subsequent events

On May 13, 2020, the Company completed a bought deal public offering of 10,269,500 common shares at a price of \$2.80 CAD per common share for aggregate gross proceeds of approximately \$28.75 million CAD, which included the exercise by the underwriters, in full, of the over-allotment option granted by the Company to the underwriters.

On May 11, 2020, the Company received approximately \$4.5 million in loan through the Paycheck Protection Program from the U.S. CARES Act to assist with payroll and other expenses at the Galena Complex during the COVID-19 pandemic.