

Ticker: USA CN
Market cap: C\$2.4Bn

PF Cash: US\$168m

Price: C\$7.51/sh

Project: Galena / Cosalá

Country: Idaho / Mexico

REC. (unc): BUY

TARGET (unc): C\$11.00/sh

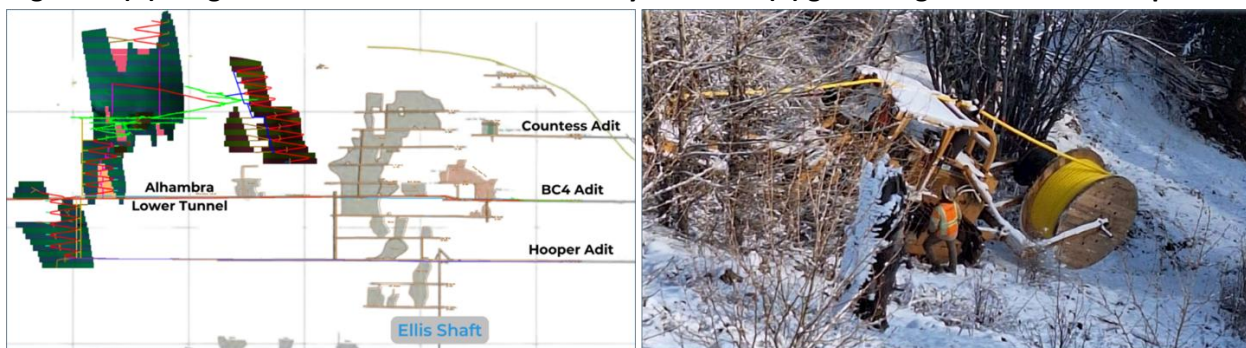
RISK RATING (unc): HIGH

Today's Crescent Mine update shows rapid progress with the three adits now connected to grid power, the mine fleet expanded, and equipment commissioned. In our view the biggest update was guided mid-2026 production restart; we modelled production starting in 2027. We model 250tpd at 500g/t Ag, producing ~1.5Mozpa which lifts Galena to 6.0-6.5Moz/year Ag and 7.5-8.0Moz/year AgEq. Given the strength of this team executing on UG mines, we think there's potential to do better than this – one area of interest would be connecting the levels and hauling out of the lower Hooper adit, which could enable larger trucks to move more tonnes from a dedicated haulage level directly to the Galena Plant. Big picture, we liked the acquisition specifically because we trust this team to add value to an UG asset, and we think USAS could increase production well beyond our currently modelled base case given the 220Moz ounce base. Today's update shows USAS moving decisively to beat our modelled timelines.

Model update: For now, we maintain our modelled scenario – we want to be conservative ahead of 2026 guidance. Having said that, early production at Crescent could either lift production above our modelled 2.6Moz Ag/3.4Moz AgEq or provide production flexibility as they increase long hole stopping at Galena: both are positive in our view.

We maintain our BUY rating and C\$11.00/sh PT based on 1.5xNAV5% at US\$35/oz Ag and US\$3000/oz Au LT. Stepping back, we think USAS has done a great job of driving operational improvement, while putting together a high-grade asset base that now has the scale to matter among silver producers: 8.0-8.5Moz AgEq from the US alone is a tier I asset in our books, and there's potential to grow beyond this given the resource base. We think this is a team to back to deliver a new silver mid-tier.

Figure 1: (A) Long section of Crescent Mine with key adits and (B) grid being connected to Hooper Adit



Source: Americas Gold and Silver

USAS delivers immediate value add to Crescent, guides mid-2026 production start

Americas Gold & Silver provided an update on progress at the Crescent Silver Mine in Idaho following completion of the acquisition on 3 Dec 2025. The Company is advancing infrastructure, equipment, and site work to support a mid-2026 restart of silver, copper, and antimony production, with integration alongside the Galena Complex.

Grid electrical power has been connected to the Hooper, BC4, and Countess adits, replacing diesel generation and reducing estimated power costs from ~US\$0.55/kWh to ~US\$0.07/kWh. A 6-inch compressed air line has been installed to service the BC4 Adit, and communication lines now link all three adits. All underground equipment included in the acquisition has been commissioned, and the underground fleet has been expanded to 11 units with the addition of two trucks and three loaders. Laydown areas have been established and upgrades to office and staff facilities have commenced. The Company expects to realize operational and cost synergies with the Galena Complex

Why we like Americas Gold & Silver

1. High grade flagship US silver asset in Galena (192Moz at 438g/t 2P+MRE)
2. Growth from 2-3Moz AgEq to mid-tier SCPe 7.5Moz silver / 10.5Moz AgEq production profile
3. Led by UG mining specialist Paul Huet and team with successful Klondex/Karora track record

Catalysts

- 1H26: Updated Galena MRE
- 2026-27: Ramp up Galena with increasing LH stoping, development at Crescent
- 2027: SCPe Crescent Mine commercial production
- 2028-onwards: Galena complex reaches SCPe 1,300stpd production rate for ~8.0-8.3Moz AgEq/year at asset level, 10-10.6Moz AgEq at corporate level (Galena plus Cosala)

Research

Justin Chan (London) m +44 7554 784 688 jchan@scp-rf.com

Eleanor Magdzinski (Toronto) m +1 705 669 7456 emagdzinski@scp-rf.com

Omeet Singh (Toronto) m +1 647 527 7509 osingh@scp-rf.com

Moatasm Almaouie (Toronto) m +1 780 299 5151 malmaouie@scp-rf.com

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|-----------------|---------------------------------------|---------------------|-------------------------|
| Ticker: USA CN | Price / mkt cap: C\$7.51/sh, C\$2387m | Market P/NAV: 1.05x | Assets: Galena / Cosala |
| Authors: J Chan | Rec / 1.5x NAV: BUY / C\$11.00 | 1xNAVFD: C\$7.30/sh | Country: Idaho / Mexico |

| Group-level SOTP valuation | | | | | Resource / Reserve | Mt | Moz Ag | Moz AgEq | EV/2P | EV/M&I |
|---|-------|--------|-------|--------|-------------------------|----------------------|--------|----------|-------|--------|
| | US\$m | O/ship | NAVx | C\$/sh | | | | | | |
| Galena (Idaho) NPV 4Q25 | 1,635 | 100% | 1.00x | 6.47 | Galena M&I | 13.7 | 192.6 | 247.8 | | |
| Cosala (Mexico) NPV 4Q25 | 148 | 100% | 1.00x | 0.59 | Cosala M&I | 14.3 | 51.8 | 76.3 | | |
| Central SG&A & fin costs 4Q25 | (189) | - | 1.00x | (0.75) | Crescent M&I | 1.1 | 22.9 | 24.1 | | |
| Resources outside SCPe mine plans (\$1/oz AgEq) | 224 | 100% | 1.00x | 0.89 | Global Resources | 61.0 | 288.0 | 401.1 | 31.8 | 3.6 |
| PF Cash + ITM options | 168 | - | 1.00x | 0.66 | Share data | | | | | |
| Debt and Metal Liabilities | (133) | - | 1.00x | (0.53) | Basic shares (m): 317.8 | FD shares (m): 348.7 | | FD + FF | 348.7 | |
| 1xNAV5% US\$3000/oz - FD pre build | 1,853 | | 1.00x | 7.30 | Commodity price | CY25E | CY26E | CY27E | CY28E | CY29E |
| Assumed development equity issuance | | | 1.00x | | Silver price (US\$/oz) | 36.41 | 37.55 | 35.42 | 35.00 | 35.00 |
| 1.5xNAV5% US\$3000/oz - Fully Funded | 1,853 | | 1.50x | 11.01 | Ratio analysis | CY25E | CY26E | CY27E | CY28E | CY29E |
| 1xNAV sensitivity to silver price and discount / NAV multiple | | | | | FD shares out (m) | 290.7 | 334.9 | 334.9 | 334.9 | 334.9 |

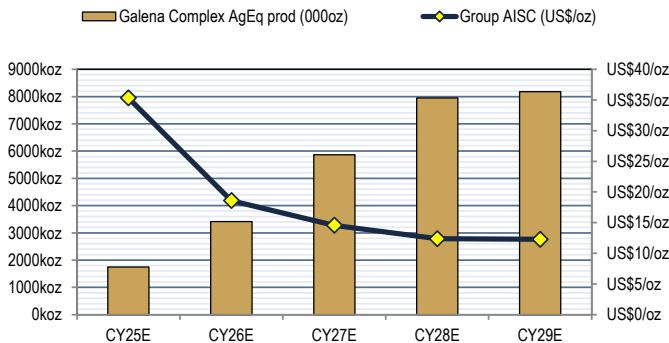
| 1xNAV asset (US\$m) | \$30.0oz | \$32.5oz | \$35.0oz | \$37.5oz | \$40.0oz |
|---------------------|----------|----------|----------|----------|----------|
| 8% discount | 1,244 | 1,344 | 1,444 | 1,545 | 1,647 |
| 7% discount | 1,330 | 1,437 | 1,545 | 1,653 | 1,762 |
| 6% discount | 1,427 | 1,542 | 1,657 | 1,774 | 1,890 |
| 5% discount | 1,534 | 1,658 | 1,783 | 1,908 | 2,034 |
| Valuation (C\$/sh) | \$30.0oz | \$32.5oz | \$35.0oz | \$37.5oz | \$40.0oz |
| 0.80xNAV | 5.05 | 5.46 | 5.87 | 6.28 | 6.70 |
| 1.00xNAV | 6.31 | 6.82 | 7.34 | 7.85 | 8.37 |
| 1.50xNAV | 9.46 | 10.24 | 11.01 | 11.78 | 12.55 |

| Valuation over time | Today | 2025E | 2026E | 2027E | 2027E |
|-----------------------------------|-------|-------|-------|-------|-------|
| Galena (Idaho) NPV | 1,635 | 1,547 | 1,633 | 1,707 | 1,696 |
| Cosala (Mexico) NPV | 148 | 158 | 148 | 140 | 132 |
| Cntrl G&A & fin costs (US\$m) | (189) | (227) | (190) | (154) | (120) |
| Net cash at 1Q (US\$m) | 35 | 15 | 0 | 78 | 217 |
| Resources outside SCPe mine plans | 224 | 224 | 224 | 224 | 224 |
| 1xNAV (US\$m) | 1,629 | 1,492 | 1,592 | 1,772 | 1,924 |
| 1xNAV share px FD (C\$/sh) | 7.30 | 7.09 | 6.57 | 7.31 | 7.94 |
| P/NAV (x): | 1.03x | 1.06x | 1.14x | 1.03x | 0.95x |
| ROI to equity holder (% pa) | -4% | -6% | -6% | -1% | 1% |

| Geared company C\$ 1xNAVPS diluted for mine build, net G&A and interest | | | | | |
|---|----------|----------|----------|----------|----------|
| 4Q25 1xNAV FF FD (C\$/sh)^ | \$30.0oz | \$32.5oz | \$35.0oz | \$37.5oz | \$40.0oz |
| 9.0% discount | 7.34 | 7.91 | 8.48 | 9.06 | 9.63 |
| 7.0% discount | 8.28 | 8.94 | 9.60 | 10.26 | 10.92 |
| 5.0% discount | 9.46 | 10.24 | 11.01 | 11.78 | 12.55 |

| 4Q25 1xNAV FF FD (C\$/sh)^ | \$30.0oz | \$32.5oz | \$35.0oz | \$37.5oz | \$40.0oz |
|---------------------------------|----------|----------|----------|----------|----------|
| 20% increase in cost per tonne | 8.65 | 9.42 | 10.19 | 10.97 | 11.74 |
| 10% increase in cost per tonne | 9.06 | 9.83 | 10.60 | 11.37 | 12.15 |
| 0% increase in cost per tonne | 9.46 | 10.24 | 11.01 | 11.78 | 12.55 |
| -10% increase in cost per tonne | 9.87 | 10.64 | 11.41 | 12.19 | 12.96 |

| 4Q25 1xNAV FF FD (C\$/sh)^ | \$30.0oz | \$32.5oz | \$35.0oz | \$37.5oz | \$40.0oz |
|----------------------------|----------|----------|----------|----------|----------|
| 20.0% change in capex | 9.22 | 9.99 | 10.76 | 11.53 | 12.31 |
| 10.0% change in capex | 9.34 | 10.11 | 10.88 | 11.66 | 12.43 |
| 0.0% change in capex | 9.46 | 10.24 | 11.01 | 11.78 | 12.55 |
| -10.0% change in capex | 9.59 | 10.36 | 11.13 | 11.90 | 12.68 |



| Production (100%) | CY25E | CY26E | CY27E | CY28E | CY29E |
|-------------------------------------|-------|-------|-------|-------|--------|
| Galena Complex AgEq prod (000oz) | 1,747 | 3,417 | 5,863 | 7,950 | 8,179 |
| Cosala Operations AgEq prod (000oz) | 1,693 | 1,897 | 1,902 | 1,903 | 1,903 |
| Group AgEq prod (000oz) | 3,440 | 5,314 | 7,765 | 9,853 | 10,082 |
| Group Ag prod (000oz) | 2,585 | 4,075 | 5,944 | 7,605 | 7,794 |
| Group cash cost (US\$/oz) | 16.8 | 10.4 | 8.2 | 7.0 | 6.9 |
| Group AISC (US\$/oz) | 35.3 | 18.6 | 14.6 | 12.4 | 12.3 |

Source: SCP estimates

| Income statement | CY25E | CY26E | CY27E | CY28E | CY29E |
|-----------------------------------|--------|--------|--------|--------|--------|
| Revenue (US\$m) | 111 | 174 | 241 | 303 | 310 |
| COGS (US\$m) | (83) | (77) | (88) | (95) | (97) |
| Gross profit (US\$m) | 28 | 97 | 153 | 208 | 213 |
| Depreciation (US\$m) | (20) | (35) | (57) | (75) | (77) |
| G&A, C&M, central (US\$m) | (27) | (16) | (16) | (16) | (16) |
| Impairment & other (US\$m) | (28) | (10) | (8) | -- | -- |
| Net finance costs (US\$m) | (4) | (4) | (2) | (3) | 1 |
| Tax (US\$m) | (1) | (19) | (28) | (37) | (38) |
| Minority interest (US\$m) | -- | -- | -- | -- | -- |
| Net income attr. (US\$m) | (53) | 14 | 43 | 76 | 83 |
| EBITDA | (5) | 73 | 129 | 192 | 197 |
| Cash flow | CY25E | CY26E | CY27E | CY28E | CY29E |
| Profit/(loss) after tax (US\$m) | (53) | 14 | 43 | 76 | 83 |
| Add non-cash items (US\$m) | 57 | 35 | 57 | 75 | 77 |
| Less wkg cap / other (US\$m) | (10) | (6) | (3) | (2) | -- |
| Cash flow ops (US\$m) | (7) | 43 | 97 | 150 | 161 |
| PP&E (US\$m) | (39) | (57) | (19) | (11) | (11) |
| Exploration & Other (US\$m) | 1 | -- | -- | -- | -- |
| Cash flow inv. (US\$m) | (38) | (57) | (19) | (11) | (11) |
| Debt draw (repayment) (US\$m) | 48 | 17 | (10) | (13) | (12) |
| Equity issuance (US\$m) | 151 | -- | -- | -- | -- |
| Other (US\$m) | (30) | (27) | (26) | (10) | -- |
| Cash flow fin. (US\$m) | 169 | (10) | (36) | (23) | (12) |
| Net change post forex (US\$m) | 123 | (24) | 42 | 116 | 137 |
| FCF (US\$m) | (45) | (14) | 78 | 139 | 150 |
| Balance sheet | CY25E | CY26E | CY27E | CY28E | CY29E |
| Cash (US\$m) | 142 | 116 | 154 | 271 | 408 |
| Restricted cash (US\$m) | 5 | 5 | 5 | 5 | 5 |
| Accounts receivable (US\$m) | 12 | 19 | 26 | 30 | 30 |
| Inventories (US\$m) | 6 | 7 | 8 | 8 | 8 |
| PPE & exploration (US\$m) | 234 | 256 | 218 | 154 | 88 |
| Other (US\$m) | 7 | 7 | 7 | 7 | 7 |
| Total assets (US\$m) | 405 | 409 | 417 | 474 | 545 |
| Accounts payable (US\$m) | 32 | 34 | 39 | 42 | 42 |
| Debt (US\$m) | 59 | 76 | 66 | 54 | 41 |
| Metal and silver contract (US\$m) | 68 | 39 | 10 | -- | -- |
| Other liabilities (US\$m) | 53 | 55 | 60 | 63 | 63 |
| Shareholders equity (US\$m) | 793 | 793 | 793 | 793 | 793 |
| Equity reserve | 62 | 62 | 62 | 62 | 62 |
| Retained earnings (US\$m) | (631) | (617) | (574) | (498) | (414) |
| Minority int. & other (US\$m) | -- | -- | -- | -- | -- |
| Liabilities+equity (US\$m) | 405 | 409 | 417 | 474 | 545 |
| Net Cash | 83 | 39 | 88 | 217 | 367 |
| Net Debt to NTM EBITDA (x) | (1.1x) | (0.3x) | (0.5x) | (1.1x) | (1.9x) |

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| Summary of Recommendations as of January 2026 | |
|---|----|
| BUY: | 53 |
| HOLD: | 0 |
| SELL: | 0 |
| UNDER REVIEW: | 0 |
| TENDER: | 0 |
| NOT RATED: | 0 |
| TOTAL | 53 |

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