Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In the following discussion, "McEwen Mining", the "Company", "we", "our", and "us" refers to McEwen Mining Inc. and as the context requires, its consolidated subsidiaries.

The following discussion updates our plan of operation as of July 30, 2019, for the foreseeable future. It also analyzes our financial condition at June 30, 2019 and compares it to our financial condition at December 31, 2018. Finally, the discussion analyzes our results of operations for the three and six months ended June 30, 2019 and compares those to the results for the three and six months ended June 30, 2018. With regard to properties or projects that are not in production, we provide some details of our plan of operation. We suggest that you read this discussion in conjunction with MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS and our audited consolidated financial statements contained in our annual report on Form 10-K for the year ended December 31, 2018.

The technical contents of this management's discussion and analysis has been reviewed and approved by Chris Stewart, P.Eng., President & Chief Operating Officer and a Qualified Person as defined by Canadian Securities Administrator National Instrument 43-101 "Standards of Disclosure for Mineral Projects".

The discussion also presents certain non-GAAP financial performance measures, such as earnings from mining operations, cash costs, cash cost per ounce, all-in sustaining costs, all-in sustaining cost per ounce, average realized price per ounce, and cash, investments, trade receivables, and precious metals, that are important to management in its evaluation of our operating results and financial condition and which are used by management to compare our performance to what we perceive to be our peer group mining companies and relied on as part of management's decision-making process. Management believes these measures may also be important to investors in evaluating our performance. For a detailed description of each of the non-GAAP financial performance measures and certain limitations inherent in such measures, please see the discussion under "**Non-GAAP Financial Performance Measures**" below, on page 32.

Reliability of Information: Minera Santa Cruz S.A. ("MSC"), the owner of the San José Mine, is responsible for and has supplied to us all reported results from the San José Mine. The financial and technical information contained herein is, with few exceptions as noted, based entirely on information provided to us by MSC. Our joint venture partner, a subsidiary of Hochschild Mining plc, and its affiliates other than MSC do not accept responsibility for the use of project data or the adequacy or accuracy of this information.

OVERVIEW

We were organized under the laws of the State of Colorado on July 24, 1979. Since inception, we have been engaged in the exploration for, development of, production and sale of gold and silver, and since 2012 exploration for copper. Robert R. McEwen, our Chairman and CEO, made his initial investment in our company in July 2005 and became our Chief Executive Officer at that time. We own the Gold Bar gold mine in Nevada, the Black Fox gold mine in Ontario, Canada, the El Gallo Project in Sinaloa, Mexico, the Los Azules copper deposit in San Juan, Argentina, the Fenix silver-gold project in Sinaloa, Mexico, and a portfolio of exploration properties in Nevada, Canada, Mexico and Argentina. We also own a 49% interest in Minera Santa Cruz S.A. ("MSC"), owner of the producing San José silver-gold mine in Santa Cruz, Argentina, which is operated by the joint venture majority owner, Hochschild Mining plc.

In this report, "Au" represents gold; "Ag" represents silver; "oz" represents troy ounce; "t" represents metric tonne; "gpt" represents grams per metric tonne; "ft." represents feet; "m" represents meter; "km" represents kilometer; "sq." represents square; and C$ refers to Canadian dollars. All of our financial information is reported in United States (U.S.) dollars, unless otherwise noted. In addition, throughout this Management Discussion and Analysis, the reporting periods for the three months ended March 31, 2019, June 30, 2019 and June 30, 2018 are abbreviated as Q1 19, Q2 19 and Q2 18, respectively, and the reporting periods for the six months ended June 30, 2019 and 2018 are abbreviated as H1 19 and H1 18, respectively.

Further, in this report, gold equivalent ounces ("Au Eq. oz") includes gold and silver ounces calculated based on a 75 : 1 silver to gold ratio for periods up to and including the first quarter of 2019, and 88 : 1 for the second quarter of 2019. Going forward, we have adopted a variable silver:gold ratio for reporting that approximates the average price during each fiscal quarter.

Note: We ceased active mining and processing at the El Gallo mine in the second quarter of 2018. Where comparative results for mining operations are presented for prior periods, we continue to use the term "El Gallo Mine." We use the term "El Gallo Project" to refer to the ongoing reclamation and residual heap-leaching that is taking place at the formerly-producing mine.

Index to Management's Discussion and Analysis:

OPERATING AND FINANCIAL HIGHLIGHTS

Highlights for Q2 2019 are included below and discussed further in Consolidated Financial Performance:

- **Liquid assets**[(1)] of $31.8 million at June 30, 2019, including $22.4 million of cash and cash equivalents and restricted cash.
- **Total production** of 36,216 gold ounces and 850,525 silver ounces for 45,881 gold equivalent ounces, including 23,158 gold equivalent ounces from the San José mine[(2)].
- **Gold Bar mine** achieved commercial production on May 23, 2019; the ramp-up to full production is progressing, however the delays in the first quarter adversely impacted our gold production in the second quarter.
- **Black Fox mine** production was impacted by an unusually high amount of water coming with the spring melt which resulted in the flooding of the western ramp in the underground mine. This resulted in a change in the mine plan which slowed production during April and May.
- **El Gallo project** continued to over perform on its gold production from the residual heap leaching activities. Work continued to progress on the Fenix Project feasibility study
- **Total sales** of 41,932 gold ounces and 874,774 silver ounces, or 51,872 gold equivalent ounces, including 23,747 gold equivalent ounces from the San José mine[(2)].
- **Revenue from gold and silver sales** of $36.4 million increased by 8% compared to Q2 18, representing 28,125 gold equivalent ounces sold at an average realized price of $1,318[(1)].
- **Gross profit** of $4.7 million and $11.7 million, net of depreciation and depletion.
- **Net loss** of $13.0 million ($0.04 per share). Net loss includes $8.0 million spent on exploration and advanced projects and $4.1 million net loss from our investment in Minera Santa Cruz.
- **Strong commitment to exploration** with $10.0 million spent in the first half of the year ($5.9 million in Q2 19). Subsequent to June 30, 2019, we announced results of our drilling activities at the Grey Fox deposit, adjacent to our Black Fox Mine. Mineralized material[(3)] at Grey Fox increased to 2.5 million tonnes at a grade of 7.1 gpt Au, an increase of 14% and 7%, respectively in tonnes and grade as a result of a new geological and structural interpretation of the 147 Zone and new mineralized material for 147NE.
- **Los Azules project** - Received approval for the Northern Route access which, once constructed, would provide year round access to the Los Azules property. Work was also restarted on the IIA permit (required to commence construction and mining activities at Los Azules) and the permit to construct an airstrip runway.

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(1) *Non-GAAP financial performance measure. See "Non-GAAP Financial Performance Measures' beginning on Page 32.*

(2) *At our 49% attributable.*

(3) *Mineralized material is a mineralized ore body which has been intersected by a sufficient number of closely placed drill holes and/or underground sampling to support sufficient tonnage and average grade of metal(s) to warrant further exploration development work*

SELECTED CONSOLIDATED FINANCIAL AND OPERATING RESULTS

The following tables present selected financial and operating results of our company for the three and six months ended June 30, 2019 and 2018:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
	(in thousands, except per share)			
Revenue from gold and silver sales	**$ 36,383**	$ 33,806	**$ 51,966**	$ 74,847
Production costs applicable to sales	**$ 24,699**	$ 20,615	**$ 35,848**	$ 44,338
Loss before income and mining taxes	**$ (13,515)**	$ (7,520)	**$ (23,533)**	$ (13,869)
Net loss	**$ (13,014)**	$ (5,380)	**$ (23,150)**	$ (10,591)
Net loss per share	**$ (0.04)**	$ (0.02)	**$ (0.07)**	$ (0.03)
Cash provided by (used in) operating activities	**$ 1,669**	$ (5,616)	**$ (9,152)**	$ 621
Additions to mineral property interests and plant and equipment	**$ (7,972)**	$ (16,573)	**$ (24,484)**	$ (27,405)

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
	(in thousands, except per ounce)			
Produced - gold equivalent ounces[1]	**45.9**	47.3	**82.2**	91.6
100% owned operations	22.7	24.9	39.1	49.2
San José Mine (49% attributable)	23.2	22.4	43.1	42.4
Sold - gold equivalent ounces[1]	**51.9**	48.1	**83.6**	99.9
100% owned operations	28.1	26.6	40.5	58.1
San José Mine (49% attributable)	23.8	21.5	43.1	41.8
Average realized price ($/Au Eq. oz)[2][3]	**$ 1,318**	$ 1,308	**$ 1,313**	$ 1,321
P.M. Fix Gold ($/oz)	**$ 1,309**	$ 1,306	**$ 1,307**	$ 1,318
Cash cost ($/Au Eq. oz sold):[2]				
100% owned operations	**$ 878**	$ 776	**$ 886**	$ 764
San José Mine (49% attributable)	**$ 960**	$ 806	**$ 865**	$ 868
AISC ($/Au Eq. oz sold):[2]				
100% owned operations	**$ 1,101**	$ 957	**$ 1,183**	$ 939
San José Mine (49% attributable)	**$ 1,207**	$ 1,065	**$ 1,165**	$ 1,106
Silver : Gold ratio[1]	**88:1**	75:1	**82:1**	75:1

(1) Silver production is presented as a gold equivalent. See Page 21 for more information.
(2) Non-GAAP financial performance measure. See "Non-GAAP Financial Performance Measures" beginning on Page 32.
(3) On Sales from 100% owned operations only, excluding stream. See "Non-GAAP Financial Performance Measures" beginning on Page 32.

CONSOLIDATED PERFORMANCE

The increase in the net loss and loss per share for Q2 19 compared to the same period in 2018 is a result of a $2.9 million increase in depreciation and depletion expense and higher production costs, the latter partially offset by higher revenues ($1.5 million negative net impact), a higher loss from the Company's investment in MSC ($1.9 million higher) and increased interest and other finance expense, mainly related to the interest on the senior secured term loan facility finalized in August 2018, all partially offset by lower spending on advanced projects and exploration.

The Company sold 1.6 thousand gold equivalent ounces more in Q2 19 (from its 100% owned operations) compared to Q2 18, the impact of which was offset by a higher cash cost per ounce, which reflects the inclusion of the Gold Bar mine sales in Q2 19 (higher cost per ounce due to entering commercial production on May 23, 2019), fewer ounces sold from

El Gallo as the mine transitioned from mining operations to residual leaching, and fewer sales at a higher cost at Black Fox mine as a result of temporary operational challenges during Q2 19.

The higher depreciation and depletion reflects Gold Bar commencing production, which has higher depreciable assets and depleteable mineral property interests in comparison to El Gallo, which is now winding down operations as it is in residual leaching.

CONSOLIDATED FINANCIAL REVIEW

Revenue from gold and silver sales in Q2 19 increased by 8% to $36.4 million compared to Q2 18, due to higher gold equivalent ounces sold (6% higher) and a higher average realized gold price. Increased ounces sold in Q2 19 reflect the start-up of the Gold Bar mine in 2019, partially offset by fewer ounces sold at the El Gallo Project (transitioned to residual heap leaching in the second half of 2018) and Black Fox mine due to lower production.

The first gold ingot at Gold Bar was poured on February 16, 2019 and the mine reached commercial production on May 23, 2019; 8.7 thousand gold equivalent ounces were sold in Q2 19.

Revenue from gold and silver sales in H1 19 decreased by 31% to $52.0 million compared to the same period in 2018. The decrease reflects the El Gallo project transitioning from mine operations to residual leaching in mid-2018, resulting in lower production from El Gallo, and fewer ounces produced and sold at Black Fox due to temporary operational issues, partially offset by production from the start up of the Gold Bar.

Production Costs applicable to sales in Q2 19 increased by 20% to $24. 7 million compared to Q2 18, reflecting higher cost per ounce sold and more ounces sold as explained in the "*Selected Consolidated Financial Performance and Operating Results*" section above.

Production costs applicable to sales in H1 19 decreased by 19% to $35.8 million compared to the same period in 2018, reflecting fewer ounces sold (30% fewer ounces) and higher cash cost per ounce sold, due to similar operational factors as explained in the decrease in revenue above.

Depreciation and depletion for Q2 and H1 19, respectively of $7.0 million and $10.0 million, increased by $2.9 million and $2.8 million compared to the same periods in 2018, primarily reflecting the inclusion of Gold Bar mine depreciation and depletion which has a significantly higher depreciation per ounce as compared to the El Gallo mine.

Advanced projects of $2.1 million and $4.7 million, respectively for Q2 and H1 19, decreased by $0.7 million and $1.0 million, respectively, from the same periods in 2018. Advanced projects in 2019 included spending on the Fenix project in Mexico and pre-production spending at the Gold Bar mine up to February 16, 2019 when the first gold ingot was poured compared to the same periods in 2018 when Gold Bar mine was in pre-production during the full period.

Exploration costs of $5.9 million and $10.0 million, respectively for Q2 and H1 19, decreased by $3.7 million and $11.5 million from same periods in 2018 as the exploration activities in 2019 were reduced in Q1 19 to conserve capital. Exploration spending ramped up in Q2 19 and is expected to increase during the second half of the year. During H1 19, $3.4 million of flow-through qualifying exploration expenditures were incurred.

General and administrative expenses of $3.2 million for Q2 19 were comparable to expenditures in Q2 18. General and administrative expenses of $5.4 million for H1 19 decreased by $0.7 million from the same period in 2018 as a result of the reduction of corporate activities in the first quarter of 2019 to conserve capital.

Loss from investment in MSC of $4.1 million and $6.4 million, respectively in Q2 and H1 19, increased by $1.9 million and $4.0 million, from the same periods in 2018, as a result of higher operating costs, including the export tax introduced in 2018 by the Argentine government, and a lower deferred tax recovery, partially offset by higher revenue from a higher number of ounces sold. The deferred tax recovery is denominated in Argentina pesos, and is thus impacted by fluctuations in the peso to the U.S. dollar.

Revision of estimates and accretion of asset retirement obligations of $0.4 million and $0.9 million, respectively in Q2 and H1 19, increased slightly by $0.1 million and $0.3 million from the same periods in 2018.

Interest and other finance income, net of $2.8 million and $3.3 million expense, respectively in Q2 and H1 19 compares to $0.4 million and $0.2 million income in Q2 and H1 18, respectively. The change is due primarily to the interest expense on the long-term debt facility, which was finalized on August 10, 2018. Included in interest and other finance (expense) income, net are interest and other charges associated with the final ruling against the Company in relation to our lawsuit filed in respect of the constitutional validity of the Mexican Tax Reform issued on October 31, 2013. The Tax Reform included a 0.5% precious metals royalty applicable to the Company.

Other income (expense) of $0.5 million and $1.5 million income for Q2 and H1 19, respectively, compares to $1.2 million income in Q2 18 and $0.3 million expense in H1 18. The movements between periods primarily reflect movements in market value of our investments and unrealized and realized foreign currency gain (or losses) due to fluctuations of C$, Mexico and Argentina pesos against U.S dollars.

Income and mining tax recovery of $0.5 million and $0.4 million, respectively for Q2 and H1 19, decreased from the recovery of $2.1 million and $3.3 million respectively in the same periods in 2018. Tax recovery for both years reflects the impact of devaluation of the Argentine peso against the U.S.dollar on the Company's peso-denominated deferred tax liability as well as the amortization of the flow-through premium as we incur eligible flow-through Canadian exploration expenditures.

LIQUIDITY AND CAPITAL RESOURCES

At June 30, 2019, we had working capital of $30.9 million compared to $23.4 million at December 31, 2018. Working capital at June 30, 2019 includes $13.1 million of restricted cash, representing funds from flow-through shares issued in December 2018; restricted cash is committed to be spent on our exploration program in Ontario no later than December 31, 2019.

The working capital increase of $7.5 million at June 30, 2019 reflects net proceeds of $22.9 million and $1.9 million from the registered direct offering and the at-the-market common stock offering respectively and increased in-process and precious metals inventory as a result of the start up of the heap leach operations at Gold Bar, and lower accounts payable and accrued liabilities as a result of the completion of construction at Gold Bar.

Our cash balance at June 30, 2019, including cash equivalents and restricted cash, decreased to $22.4 million from $30.4 million at December 31, 2018, reflecting cash used in operating and investing activities, partially offset by financing proceeds.

Cash used in operations in H1 19 was $9.2 million, compared to cash provided by operations of $0.6 million in H1 18, with the change from prior year primarily due to: $24.8 less cash received from gold and silver sales in H1 19 due to lower production and sales from the El Gallo Project and Black Fox mine, partly offset by sales from the Gold Bar mine; $17.6 million less cash paid to suppliers and employees in H1 19, compared to H1 18 due to lower production and sales, as well as lower exploration and general and administrative spending; and $2.6 million cash interest paid in H1 19 (none in 2018).

Cash used in investing activities was $22.5 million in H1 19, compared to $17.0 million in H1 18 primarily due to: $24.5 million spent on mineral property interests and plant and equipment in H1 19 compared to $27.4 million in same period in 2018, the spending in H1 19 primarily related to underground development at Black Fox and construction and pre-stripping prior to first production at Gold Bar; $2.0 million in dividends received from MSC in H1 19, compared to $7.2 million in in the same period in 2018; no marketable securities sold in H1 19; and $3.7 million proceeds from the sale of marketable securities in H1 18.

Financing activities provided $24.0 million in H1 19, compared to $1.6 million used in the same period in 2018, primarily due to net proceeds of $22.9 million from financing in 2019, partly offset by lease payments.

Management believes that the Company's working capital at June 30, 2019, combined with forecasted cash to be generated over the next 12 months, will be sufficient to satisfy our obligations due in the next 12 months, and to fund ongoing operations and corporate activities.

Management continues to evaluate capital and development expenditure requirements to advance Los Azules, Black Fox, other Timmins projects, and the Project Fenix in Mexico. If the Company's working capital is not sufficient to continue advancing these projects, we will defer one or more of these initiatives. Furthermore, if a positive production decision is reached for one or more of these projects, the anticipated capital expenditures may significantly exceed our available capital. In such case, management would consider several financing methods, which may include incurring additional debt, issuing additional equity, equipment leasing, and other forms of financing.

OPERATIONS REVIEW

Mexico Segment

The Mexico segment includes the El Gallo Project (formerly "El Gallo 1" or "El Gallo Mine") and the advanced-stage Fenix Project, located in Sinaloa.

El Gallo Project

Mining and crushing activities ceased during the second quarter of 2018. Prior to cessation, El Gallo 1 was a mature operation, at which we mined and depleted various pits during its operating life. Current activities are limited to residual leaching production that will continue until the end of 2020, as well as additional closure and reclamation activities.

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
Operating Results	(in thousands, unless otherwise indicated)			
Mined mineralized material (t)	—	374	—	823
Average grade (gpt Au)	—	1.24	—	1.43
Processed mineralized material (t)	—	547	—	830
Average grade (gpt Au)	—	1.51	—	1.51
Gold ounces:				
Produced	**5.3**	10.8	**10.8**	23.0
Sold	**6.7**	11.0	**11.2**	30.0
Silver ounces:				
Produced	**1.2**	2.2	**2.6**	5.2
Sold	**0.2**	2.0	**0.2**	8.7
Gold equivalent ounces:				
Produced	**5.4**	10.8	**10.8**	23.0
Sold	**6.7**	11.0	**11.2**	30.1
Revenue from gold and silver sales	**$ 8,812**	$ 14,381	**$ 14,610**	$ 39,798
Cash costs(1)	**$ 6,225**	$ 8,634	**$ 10,730**	$ 21,806
Cash cost ($/Au Eq. oz sold)(1)	**$ 926**	$ 783	**$ 961**	$ 724
All-in sustaining costs(1)	**$ 6,307**	$ 8,999	**$ 10,910**	$ 23,364
AISC ($/Au Eq. oz sold)(1)	**$ 939**	$ 816	**$ 977**	$ 776
Silver : gold ratio	**88 : 1**	75 : 1	**82 : 1**	75 : 1

(1) Non-GAAP financial performance measure. See "Non-GAAP Financial Performance Measures" beginning on page 32 for additional information.

Production and *revenue* decreased in Q2 and H1 19 reflecting the cessation of active mining as the operation moved into residual heap leaching in mid 2018. The decrease in revenue was partially offset by a slightly higher average realized gold price.

Cash cost and *AISC per gold equivalent ounce* sold in Q2 and H1 19 increased compared to the same periods in 2018. This increase in unit costs was expected as fixed costs are spread over a decreasing number of ounces sold. On an aggregate basis, cash costs decreased by $2.4 million and $11.1 million in Q2 and H1 19, respectively from the same periods in 2018 and all-in sustaining costs decreased by similar amounts.

Advanced-stage Properties – Fenix Project

Work on the Fenix Project feasibility study and permitting continued during Q2 19, with mine permitting expected to be received and feasibility study completed in the third quarter of 2019. The Company incurred $1.6 million during H1 19 on activities required to advance the project.

The Fenix Project PEA is available for review on the Company's website and SEDAR (www.sedar.com).

Potential Sale

In conjunction with our capital allocation strategy, the Board of Directors approved the evaluation of the potential sale of our Mexican business unit. If we pursue a sale, we anticipate that half of the proceeds would be used to advance our development projects, and the remaining balance to retire a portion of our debt. Our evaluation continued in the second quarter of 2019.

Canada Segment

The Canada segment is comprised of the Black Fox Complex, which includes the fully operational Black Fox gold mine and the Grey Fox, Tamarack and Froome advanced-stage exploration projects, the Black Fox Stock Mill, and other gold exploration properties located in Timmins, Ontario, Canada.

Black Fox mine

	Three months ended June 30,		**Six months ended June 30,**	
	2019	2018	**2019**	2018
Operating Results	**(in thousands, unless otherwise indicated)**			
Mined mineralized material (t)	**47**	67	**97**	134
Average grade (gpt Au)	**3.81**	5.03	**5.17**	7.60
Processed mineralized material (t)	**52**	64	**106**	138
Average grade (gpt Au)	**4.29**	5.75	**5.51**	5.82
Gold equivalent ounces:				
Produced	**9.4**	14.1	**18.4**	26.1
Sold	**12.7**	15.5	**20.0**	28.0
Revenue from gold and silver sales	**$ 16,049**	$ 19,425	**$ 24,992**	$ 35,049
Cash costs	**$ 10,639**	$ 11,981	**$ 16,475**	$ 22,532
Cash cost ($/Au Eq. oz sold)	**$ 837**	$ 771	**$ 826**	$ 806
All-in sustaining costs	**$ 15,192**	$ 16,419	**$ 26,158**	$ 31,173
AISC ($/Au Eq. oz sold)	**$ 1,196**	$ 1,056	**$ 1,311**	$ 1,115
Silver : gold ratio	**88 : 1**	75 : 1	**82 : 1**	75 : 1

Production decreased by 4.6 thousand and 7.7 thousand gold equivalent ounces, respectively in Q2 and H1 19 from the same periods in 2018, with production in Q2 19 affected by water infiltration into the mine due to an unusually heavy spring run-off. Production for H1 19 also reflects some temporary operational challenges at the mine during the first quarter, including a surface fire at the crushing plant operated by a local contracting company. Production is expected to return to normal pace in the second half of 2019, as the damages have been completely repaired.

Revenue from gold and silver sales decreased in Q2 and H1 19 reflects fewer ounce sold, partially offset by a slight increase in average gold price realized in Q2 19.

Cash costs per gold equivalent ounce sold increased by 9% and 2%, respectively in Q2 and H1 19 from the same periods in 2018, reflecting lower production and sales and the impact of the temporary operational issues noted in the production section. On an aggregate basis, cash costs at the Black Fox mine decreased by $1.3 million and $6.1 million, respectively in Q2 and H1 19 compared to the same periods in 2018, as a result of fewer ounces sold.

All-in sustaining costs per gold equivalent ounce sold increased by 13% and 18%, respectively in Q2 and H1 19 from the same periods in 2018, for the same reasons as the increase in cash costs per unit, coupled with higher on-site explorations expenses in H1 19. On an aggregate basis, all-in sustaining costs decreased by $1.2 million and $5.0 million in Q2 and H1 19 respectively, compared to same periods in 2018, as a result of fewer ounces sold.

Exploration Activities – Timmins

Black Fox mine and Stock Mine Properties

We remain focused on our exploration goal to cost-effectively grow adjacent gold deposits to contribute to near-term gold production. We incurred $4.1 million and $6.5 million, respectively in Q2 and H1 19 for exploration initiatives.

Throughout the second quarter of 2019, the underground exploration drilling at Black Fox was dedicated to identifying, confirming, and then expanding the mine's main gold-mineralized trend on two fronts, the Western flank and the depth extension of the Central zone. Both areas are situated proximal to existing mine development and may be brought quickly into production. We continue to expand the range of drilling from our 810m platform that will allow us to explore up to and beyond the 1,000m level, which is more than 150m below existing development at the mine's 860m level.

A major program of surface exploration was initiated on April 1, 2019. Up to nine contracted drill rigs were mobilised onto our Black Fox and Stock properties and safely completed 31,925 meters of core drilling by the end of the quarter. Drill campaigns were primarily focused on: (i) infill-resources drilling of the shallow, high-grade 147NE vein system in the Grey Fox area, (ii) assessing the potential of the large-volume mineralized system hosted by the altered and deformed Gibson Intrusive, also in the Grey Fox area, and (iii) continued expansion and refinement of several 'open' shoots-trends of gold mineralization located within 600m of the historic Stock Mine infrastructure. At the Stock property, drilling took place along a 3-km strike length priority trend that include the historical Stock Mine.

U.S.A. Segment

The U.S.A. segment is comprised of the Gold Bar mine ("Gold Bar") and other early stage exploration properties. Gold Bar poured its first gold ingot on February 16, 2019 and achieved commercial production on May 23, 2019.

Gold Bar mine

Operating Results		Three months ended		Six months ended
		June 30, 2019		
		(in thousands, unless otherwise indicated)		
Mined mineralized material (t)		**404**		**670**
Average grade (gpt Au)		**0.98**		**0.98**
Processed mineralized material (t)		**474**		**823**
Average grade (gpt Au)		**0.99**		**0.91**
Gold equivalent ounces:				
Produced		**7.9**		**10.0**
Sold		**8.7**		**9.4**
Revenue from gold and silver sales	**$**	**11,522**	**$**	**12,364**
Cash costs	**$**	**7,835**	**$**	**8,643**
Cash cost ($/Au Eq. oz sold)	**$**	**901**	**$**	**924**
All-in sustaining costs	**$**	**9,466**	**$**	**10,821**
AISC ($/Au Eq. oz sold)	**$**	**1,088**	**$**	**1,157**
Silver : gold ratio		**88 : 1**		**88 : 1**

There are no comparatives to Q2 and H1 18 as the first gold ingot at Gold Bar was poured on February 16, 2019.

Commercial production was achieved on May 23, 2019. The ramp-up to full production is progressing but the delays in the first quarter adversely impacted our gold production in the second quarter and our forecast for 2019. Less ore was placed onto the heap leach pad than planned, which in turn has delayed the application of solution to the ore, and the recovery of gold as a result. Gold production is increasing, and we expect improved performance in the second half of 2019. Ore grade and tonnage are reconciling positively to the block model.

Cash costs on an aggregate basis were $7.8 million and $8.6 million, respectively for Q2 and H1 19; cash costs mainly include contractor mining costs, processing costs related to tonnes placed on the heap leach, and general and administrative costs.

Exploration Activities – Nevada

Drilling started mid May with an initial focus on Gold Bar South in order to provide data necessary for advancing economic studies and permitting. Our objective is to incorporate Gold Bar South into the mine plan this year and have permitting in place so that development could begin in late 2020. Starting in July, drilling is expected to begin testing the deep potential of the property for Carlin-type gold deposits. In Q2 and H1 19, $1.2 million and $1.7 million, respectively were spent on target-generating exploration activities.

MSC Segment

The MSC segment is comprised of the San José mine, located in Argentina.

MSC (on a 100% basis)

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
Operating Results	(in thousands, except otherwise indicated)			
San José Mine—100% basis				
Mined mineralized material (t)	**131**	135	**259**	247
Average grade (gpt)				
Gold	**6.5**	7.1	**6.8**	7.1
Silver	**428**	484	**464**	479
Processed mineralized material (t)	**142**	142	**252**	264
Average grade (gpt)				
Gold	**6.9**	6.3	**6.9**	6.3
Silver	**436**	400	**446**	407
Average recovery (%):				
Gold	**88.0**	86.4	**88.1**	87.5
Silver	**87.3**	85.8	**87.5**	86.8
Gold ounces:				
Produced	**27.6**	24.8	**49.1**	46.9
Sold	**28.2**	23.7	**48.9**	46.0
Silver ounces:				
Produced	**1,731**	1,570	**3,162**	2,982
Sold	**1,785**	1,521	**3,189**	2,955
Gold equivalent ounces:				
Produced	**47.3**	45.7	**87.9**	86.6
Sold	**48.5**	43.9	**87.9**	85.4
Revenue from gold and silver sales	**$ 62,597**	$ 52,272	**$ 108,800**	$ 102,934
Average realized price:				
Gold ($/Au oz)	**$ 1,392**	$ 1,230	**$ 1,361**	$ 1,281
Silver ($/Ag oz)	**$ 15.01**	$ 16.32	**$ 15.14**	$ 16.09
Cash costs	**$ 46,514**	$ 35,402	**$ 76,047**	$ 74,123
All-in sustaining costs	**$ 58,477**	$ 46,808	**$ 102,434**	$ 94,411
McEwen Mining—49% basis				
Ounces produced:				
Gold	**13.5**	12.1	**24.1**	23.0
Silver	**848**	769	**1,550**	1,461
Gold equivalent	**23.2**	22.4	**43.1**	42.4
Cash costs	**$ 22,792**	$ 17,347	**$ 37,264**	$ 36,321
Cash cost ($/Au Eq. oz sold)	**$ 960**	$ 806	**$ 865**	$ 868
All-in sustaining costs	**$ 28,653**	$ 22,936	**$ 50,194**	$ 46,262
AISC ($/Au Eq. oz sold)	**$ 1,207**	$ 1,065	**$ 1,165**	$ 1,106
Silver : gold ratio	**88 : 1**	75 : 1	**82 : 1**	75 : 1

The analysis below compares the operating and financial results of MSC on a 100% basis.

Gold Production increased by 11% and 5% and silver production by 10% and 6%, respectively in Q2 and H1 19 from the same periods in 2018, reflecting higher average grade of the processed material and higher recovery, partially offset for H1 19 by fewer tonnes processed in the first quarter of the year.

Revenue from gold and silver sales increased by 20% and 6%, respectively in Q2 and H1 19, compared to the same periods in 2018, reflecting more gold and silver ounces sold and a higher average realized gold price (13% and 6% higher, respectively in Q2 and H1 19, compared to same periods in 2018), partially offset by a lower average realized silver price (8% lower in Q2 and 6% lower in H1 19 compared to the same periods in 2018).

Cash cost per gold equivalent ounce sold by MSC increased in Q2 19 compared to same period in 2018 primarily due to the impact of the Argentina export tax implemented in the third quarter of 2018 and the Company's change in the silver-gold ratio from 75:1 to 88:1 in the second quarter of 2019. On an aggregate basis, cash costs at the San Jose mine increased to $46.5 million from $35.4 million in the same period in 2018, as a result of a higher number of ounces sold and at a higher cash cost per ounce.

Cash cost per gold equivalent ounces sold slightly decreased in H1 19 from same period in 2018, mainly due to the higher number of gold equivalent ounces produced and sold (due to higher grade and recovery), partially offset by the factors discussed for Q2 19. On an aggregate basis, cash costs increased to $76.0 million from $74.1 million in the same period in 2018, mainly the result of a higher number of ounces sold.

All-in sustaining cost per gold equivalent ounce sold increased in Q2 and H1 19 from same periods in 2018, reflecting the same factors as those leading to an increase in cash costs per ounce as well as increased site exploration expenses ($1.3 million and $3.4 million more in Q2 and H1 19, respectively, or more than double the spending in same periods in 2018).

MSC Dividend Distribution (49%)

During the three and six months ended June 30, 2019, we received $nil and $2.0 million in dividends from MSC, compared to $2.4 million and $7.3 million in dividends received during the same periods in 2018. For more details on our Investment in MSC, refer to Note 8 to the Consolidated Financial Statements, *Investment in Minera Santa Cruz S.A. ("MSC") — San José mine.*

Los Azules Segment

Los Azules project is a copper exploration project located in San Juan, Argentina.

Los Azules Project

During the second quarter of 2019 work efforts continued on preliminary engineering work and developing cost estimates to advance the proposed low altitude all year access route (northern access route). We are also advancing the Los Azules water management plan to evaluate the project operating as a zero discharge development.

During the first half of 2019, the environmental baseline monitoring work continued as well as other works, which were identified as necessary to develop a conforming Environmental Impact Assessment ("EIA") submission. The environmental work included the geological mapping of the tailings dam design. We anticipate submitting the permit application in the fourth quarter of 2019, and expect the Environmental Impact Declaration to be received during 2020.

The preliminary economic assessment for the Los Azules Project, was completed and announced in September 2017 is available on our website at www.mcewenmining.com.

NON-GAAP FINANCIAL PERFORMANCE MEASURES

In this report, we have provided information prepared or calculated according to U.S. GAAP, as well as provided some non-GAAP financial performance measures. Because the non-GAAP performance measures do not have any standardized meaning prescribed by U.S. GAAP, they may not be comparable to similar measures presented by other companies. These measures should not be considered in isolation or as substitutes for measures of performance prepared in accordance with GAAP. There are limitations associated with the use of such non-GAAP measures. Since these measures do not incorporate revenues, changes in working capital and non-operating cash costs, they are not necessarily indicative of operating profit or loss or cash flow from operations as determined in accordance with U.S. GAAP.

The non-GAAP measures earnings from mining operations, total cash costs, total cash costs per ounce, all-in sustaining costs, all-in sustaining costs per ounce, average realized price per ounce, and cash, investments, trade receivables and precious metals, are not, and are not intended to be, presentations in accordance with U.S. GAAP. These measures represent, respectively, our earnings from mining operations, total cash costs, total cash costs per ounce, all-in sustaining costs, all-in sustaining costs per ounce and average realized prices per ounce related to our wholly-owned El Gallo Project, Black Fox and Gold Bar mines and our minority interest in the San José mine, owned by MSC. The portions of the costs and prices related to the minority interest may be found in *Item 1. Financial Statements, Note 8, Investment in Minera Santa Cruz S.A. ("MSC") – San José Mine.* The amounts in the tables labeled "49% basis" were derived by applying to each financial statement line item the ownership percentage interest used to arrive at our share of net income or loss during the period when applying the equity method of accounting. We do not control the interest in or operations of MSC and the presentations of assets and liabilities and revenues and expenses of MSC do not represent our legal claim to such items. The amount of cash we receive is based upon specific provisions of the joint venture operating agreement and varies depending on factors including the profitability of the operations.

We provide the Non-GAAP measures because we believe they assist investors and analysts in evaluating our earnings, production costs applicable to sales and sales revenue, including both our wholly-owned properties and our interest in the San José mine, when read in conjunction with our reported results under U.S. GAAP. The presentation of these measures including the minority interest has limitations as an analytical tool. Some of these limitations include:

- The amounts shown on the individual line items were derived by applying our overall economic ownership interest percentage determined when applying the equity method of accounting and do not necessarily represent our legal claim to the assets and liabilities, or the revenues and expenses; and

- Other companies in our industry may calculate their earnings, costs and average realized prices differently than we do, limiting the usefulness as a comparative measure.

Because of these limitations, these non-GAAP measures should not be considered in isolation or as a substitute for our financial statements as reported under U.S. GAAP. We compensate for these limitations by relying primarily on our U.S. GAAP results and using the non-GAAP measures supplementally.

Earnings from Mining Operations

The term earnings from mining operations used in this report is a non-GAAP financial measure. We use and report this metric because we believe it provides investors and analysts with a useful measure of the underlying earnings from our mining operations.

We define earnings from mining operations as revenue from gold and silver sales from our El Gallo Project, Black Fox and Gold Bar mines, and our 49% attributable share of the San José mine's revenue from gold and silver sales, less their respective production costs applicable to sales and depreciation and depletion. To the extent that depreciation and depletion may include depreciation and amortization expense related to the fair value increments on historical business acquisitions (fair value paid in excess of the carrying value of the underlying assets and liabilities assumed on the date of acquisition), we exclude this expense in order to arrive at depreciation and depletion that only includes depreciation and amortization expense incurred at the mine site level. The San José mine revenue from gold and silver sales and production costs applicable to sales are presented, on a 100% basis, in Note 8 of the accompanying financial statements.

The following table presents a reconciliation of earnings from mining operations to revenue from gold and silver sales and production costs applicable to sales and depreciation and depletion, which are GAAP financial measures:

	Three months ended June 30,		Six months ended June 30,	
	2019	2018	**2019**	2018
	(in thousands)			
Gold Bar earnings from mining operations				
Revenue from gold and silver sales	**$ 11,522**	$ —	**$ 12,364**	$ —
Production costs applicable to sales	**(7,835)**	—	**(8,643)**	—
Depreciation and depletion	**(2,568)**	—	**(2,720)**	—
Add: Amortization related to fair value increments on historical acquisitions included in depreciation applicable to sales	**765**	—	**1,054**	—
Gold Bar earnings from mining operations	**$ 1,884**	$ —	**$ 2,055**	$ —
Black Fox earnings from mining operations				
Revenue from gold and silver sales	**$ 16,049**	$ 19,425	**$ 24,992**	$ 35,049
Production costs applicable to sales	**(10,639)**	(11,981)	**(16,475)**	(22,532)
Depreciation and depletion	**(4,221)**	(3,526)	**(6,931)**	(5,784)
Add: Amortization related to fair value increments on historical acquisitions included in depreciation applicable to sales	**68**	205	**201**	501
Black Fox earnings from mining operations	**$ 1,257**	$ 4,123	**$ 1,787**	$ 7,234
El Gallo earnings from mining operations				
Revenue from gold and silver sales	**$ 8,812**	$ 14,381	**$ 14,610**	$ 39,798
Production costs applicable to sales	**(6,225)**	(8,634)	**(10,730)**	(21,806)
Depreciation and depletion	**(218)**	(573)	**(362)**	(1,405)
Depreciation of mining related assets	**(10)**	(102)	**(26)**	(305)
Add: Amortization related to fair value increments on historical acquisitions included in production costs applicable to sales	**218**	573	**362**	1,405
El Gallo earnings from mining operations	**$ 2,577**	$ 5,645	**$ 3,854**	$ 17,687
San José earnings from mining operations (49% basis)				
Revenue from gold and silver sales	**$ 30,673**	$ 25,613	**$ 53,312**	$ 50,438
Production costs applicable to sales	**(25,919)**	(21,239)	**(43,726)**	(42,539)
Third party smelting, refining and transportation costs and export taxes	**(2,561)**	(335)	**(4,677)**	(691)
On-site general and administrative costs	**(814)**	(782)	**(1,669)**	(1,816)
San José earnings from mining operations	**$ 1,379**	$ 3,257	**$ 3,240**	$ 5,392

Cash Costs and All-In Sustaining Costs

The terms cash costs, cash cost per ounce, all-in sustaining costs, and all-in sustaining cost per ounce used in this report are non-GAAP financial measures. We report these measures to provide additional information regarding operational efficiencies on an individual mine basis, and believe these measures provide investors and analysts with useful information about our underlying costs of operations. For the San José mine, we exclude the share of gold or silver production attributable to the controlling interest.

Cash costs consist of mining, processing, on-site general and administrative expenses, community and permitting costs related to current operations, royalty costs, refining and treatment charges (for both doré and concentrate products), sales costs, export taxes and operational stripping costs, and exclude depreciation and depletion. The sum of these costs is divided by the corresponding gold equivalent ounces sold to determine a per ounce amount.

All-in sustaining costs consist of cash costs (as described above), plus environmental rehabilitation costs and amortization of the asset retirement costs related to operating sites, sustaining exploration and development costs, sustaining capital expenditures and sustaining lease payments. Our all-in sustaining costs exclude the allocation of corporate general and administrative costs. Following is additional information regarding our all-in sustaining costs:

- Sustaining operating costs represent expenditures incurred at current operations that are considered necessary to maintain current annual production at the mine site and include mine development costs and ongoing replacement of mine equipment and other capital facilities. Sustaining capital costs do not include costs of expanding the project that would result in improved productivity of the existing asset, increased existing capacity or extended useful life.

- Sustaining exploration and development costs include expenditures incurred to sustain current operations and to replace reserves and/or resources extracted as part of the ongoing production. Exploration activity performed near-mine (brownfield) or new exploration projects (greenfield) or any other activity not directly linked to the existing mine-site are classified as non-sustaining.

The sum of all-in sustaining costs is divided by the corresponding gold equivalent ounces sold to determine a per ounce amount.

Costs excluded from cash costs and all-in sustaining costs are income and mining tax expense, all corporate financing charges, costs related to business combinations, asset acquisitions and asset disposal, and any items that are deducted for the purpose of normalizing items.

For MSC, co-product cash costs and all-in sustaining costs are calculated by dividing the respective proportionate share of the cash costs and all-in sustaining costs for each metal sold for the period by the ounces of each respective metal sold. The respective proportionate share of each metal sold is calculated based on their pro-rated sales value. For the six months ended June 30, 2019, approximately 58% of the value of the sales was derived from gold and 42% was derived from silver, compared to 55% and 45% for the same period of 2018, respectively.

The following tables reconcile these non-GAAP measures to the most directly comparable GAAP measure, production costs applicable to sales. Cash costs, all-in sustaining costs, and ounces of gold and silver sold for the San José mine are provided to us by MSC.

	Three months ended June 30, 2019				Six months ended June 30, 2019			
	Gold Bar	Black Fox	El Gallo	Total (100% owned)	Gold Bar	Black Fox	El Gallo	Total (100% owned)
	(in thousands, except ounces and per ounce)				(in thousands, except ounces and per ounce)			
Production costs applicable to sales - Cash costs	$ 7,835	$ 10,639	$ 6,225	**$ 24,699**	$ 8,643	$ 16,475	$ 10,730	**$ 35,848**
Mine site reclamation, accretion and amortization	283	163	82	**528**	374	320	163	**857**
In-mine exploration	—	900	—	**900**	—	2,475	—	**2,475**
Capitalized underground mine development (sustaining)	—	2,333	—	**2,333**	—	5,575	—	**5,575**
Capital expenditures on plant and equipment (sustaining)	870	1,038	—	**1,908**	870	1,140	17	**2,027**
Sustaining leases	478	119	—	**597**	934	173	—	**1,107**
All-in sustaining costs	$ 9,466	$ 15,192	$ 6,307	**$ 30,965**	$ 10,821	$ 26,158	$ 10,910	**$ 47,889**
Ounces sold, including stream (Au Eq. oz)	8,700	12,705	6,720	**28,125**	9,350	19,953	11,170	**40,473**
Cash cost ($/Au Eq. oz sold)	$ 901	$ 837	$ 926	**$ 878**	$ 924	$ 826	$ 961	**$ 886**
AISC ($/Au Eq. oz sold)	$ 1,088	$ 1,196	$ 939	**$ 1,101**	$ 1,157	$ 1,311	$ 977	**$ 1,183**

	Three months ended June 30, 2018				Six months ended June 30, 2018			
	Gold Bar	Black Fox	El Gallo	Total (100% owned)	Gold Bar	Black Fox	El Gallo	Total (100% owned)
	(in thousands, except ounces and per ounce)				(in thousands, except ounces and per ounce)			
Production costs applicable to sales - Cash costs	$ —	$ 11,981	$ 8,634	$ 20,615	$ —	$ 22,532	$ 21,806	$ 44,338
Mine site reclamation, accretion and amortization	—	150	87	237	—	306	173	479
In-mine exploration	—	962	278	1,240	—	1,250	1,256	2,506
Capitalized underground mine development (sustaining)	—	3,072	—	3,072	—	6,722	—	6,722
Capital expenditures on plant and equipment (sustaining)	—	254	—	254	—	363	129	492
Sustaining leases	—	—	—	—	—	—	—	—
All-in sustaining costs	$ —	$ 16,419	$ 8,999	$ 25,418	$ —	$ 31,173	$ 23,364	$ 54,537
Ounces sold, including stream (Au Eq. oz)	—	15,543	11,027	26,570	—	27,966	30,100	58,066
Cash cost ($/Au Eq. oz sold)	$ —	$ 771	$ 783	$ 776	$ —	$ 806	$ 724	$ 764
AISC ($/Au Eq. oz sold)	$ —	$ 1,056	$ 816	$ 957	$ —	$ 1,115	$ 776	$ 939

San José mine cash and all-in sustaining costs (49% basis)	Three months ended June 30, 2019	2018	Six months ended June 30, 2019	2018
	(in thousands, except ounces and per ounce)			
Production costs applicable to sales	**$ 25,919**	$ 21,239	**$ 43,726**	$ 42,539
Less: Mine site reclamation, accretion and amortization	**(138)**	(152)	**(274)**	(283)
Depreciation	**(7,969)**	(5,967)	**(15,370)**	(10,887)
Mine-site general and administrative expenses	**756**	749	**1,549**	1,757
Refining, smelting, and transportation	**2,561**	335	**4,677**	691
Commercial discounts	**1,605**	1,110	**2,835**	2,444
Community costs related to current operations	**58**	33	**121**	60
San José mine cash costs (49% basis)	**$ 22,792**	$ 17,347	**$ 37,264**	$ 36,321
Mine site reclamation, accretion and amortization	**138**	152	**274**	283
Site exploration expenses	**1,251**	624	**2,887**	1,222
Capitalized underground mine development (sustaining)	**3,124**	3,118	**5,836**	5,682
Less: Depreciation	**(280)**	(253)	**(519)**	(426)
Capital expenditures (sustaining)	**1,628**	1,948	**4,452**	3,180
San José mine all-in sustaining costs (49% basis)	**$ 28,653**	$ 22,936	**$ 50,194**	$ 46,262
Ounces sold (49% basis) (Au Eq. oz)	**23,747**	21,529	**43,072**	41,843
Cash cost ($/Au Eq. oz sold)	**$ 960**	$ 806	**$ 865**	$ 868
AISC ($/Au Eq. oz sold)	**$ 1,207**	$ 1,065	**$ 1,165**	$ 1,106

Average realized price

The term average realized price per ounce used in this report is a non-GAAP financial measure. We prepare this measure to measure our performance against market (London P.M. Fix). Average realized price is calculated as gross sales of gold and silver divided by the number of net ounces sold in the period.

The following table reconciles the average realized prices to the most directly comparable U.S. GAAP measure, revenue from gold and silver sales. Ounces of gold and silver sold for the San José mine are provided to us by MSC.

	Three months ended June 30, 2019	2018	Six months ended June 30, 2019	2018
	(in thousands, except ounces and per ounce)			
Average realized price - 100% owned				
Revenue from gold and silver sales	**$ 36,383**	$ 33,806	**$ 51,966**	$ 74,847
Less: revenue from gold sales, stream	**499**	660	**851**	1,262
Revenue from gold and silver sales, excluding stream	**$ 35,884**	$ 33,146	**$ 51,115**	$ 73,585
Gold equivalent ounces sold	**28,125**	26,570	**40,473**	58,066
Less: gold ounces sold, stream	**905**	1,223	**1,555**	2,349
Gold equivalent ounces sold, excluding stream	**27,220**	25,347	**38,918**	55,717
Average realized price per Au Eq. oz sold, excluding stream	**$ 1,318**	$ 1,308	**$ 1,313**	$ 1,321

	Three months ended June 30, 2019	Three months ended June 30, 2018	Six months ended June 30, 2019	Six months ended June 30, 2018
	(in thousands, except ounces and per ounce)			
Average realized price - San José (49% basis)				
Gold sales	**$ 19,216**	$ 14,261	**$ 32,597**	$ 28,865
Silver sales	**13,123**	12,161	**23,664**	23,299
Gold and silver sales	**$ 32,339**	$ 26,422	**$ 56,261**	$ 52,164
Gold ounces sold	**13,809**	11,594	**23,957**	22,538
Silver ounces sold	**874,561**	745,189	**1,562,842**	1,447,820
Gold equivalent ounces sold	**23,747**	21,529	**43,072**	41,843
Average realized price per gold ounce sold	**$ 1,392**	$ 1,230	**$ 1,361**	$ 1,281
Average realized price per silver ounce sold	**$ 15.01**	$ 16.32	**$ 15.14**	$ 16.09
Average realized price per gold equivalent ounce sold	**$ 1,362**	$ 1,227	**$ 1,306**	$ 1,247

Liquid assets

The term liquid assets used in this report is also a non-GAAP financial measure. We report this measure to better understand our liquidity in each reporting period.

Liquid assets is calculated as the sum of cash and cash equivalents, restricted cash, investments, trade receivable and ounces of doré held in precious metals inventories, with precious metals valued at the London PM Fix spot price at the corresponding period. Trade receivable includes a $1.3 million receivable for revenue from gold sales for which payment was not received at June 30, 2019. The following table summarizes the calculation of cash and cash equivalents, restricted cash, investments, trade receivable and precious metals amounts at June 30, 2019 and 2018:

	June 30, 2019	June 30, 2018
	(in thousands)	
Cash and cash equivalents	**$ 9,325**	$ 16,028
Restricted cash	**13,112**	3,621
Investments	**5,147**	2,312
Trade receivable	**1,294**	1,253
Precious Metals valued at market value	**2,891**	11,329
Total cash, investments, trade receivables and precious metals	**$ 31,769**	$ 34,543

A reconciliation between precious metals valued at cost and precious metals valued at market value at the same dates is provided in the following table:

	June 30, 2019	June 30, 2018
	(in thousands, except ounces and per ounce)	
Precious metals (note 6 of the Consolidated Financial Statements)	**$ 2,404**	$ 6,922
Reconciliation of precious metals to precious metals valued at market value		
Number of ounces of doré in inventory, net of streaming agreement	**2,052**	9,060
London P.M. Fix, per ounce	**$ 1,409**	$ 1,250
Precious metals valued at market value	**$ 2,891**	$ 11,329

OFF-BALANCE SHEET ARRANGEMENTS

As of June 30, 2019, we did not have any off-balance sheet arrangements (as that phrase is defined by SEC rules applicable to this report) which have or are reasonably likely to have a material adverse effect on our financial condition, results of operations or liquidity.

CRITICAL ACCOUNTING POLICIES

Critical accounting policies and estimates used to prepare our financial statements are discussed with our Audit Committee as they are implemented and on an annual basis.

Significant changes in our Critical Accounting Policies since December 31, 2018 correspond to the adoption in January 1, 2019 of ASC 842 - Leases, as described in Note 1 to the Consolidated Financial Statements, *"Nature of Operations and Recent Accounting Pronouncements".*

FORWARD-LOOKING STATEMENTS

This report contains or incorporates by reference "forward-looking statements", as that term is used in federal securities laws, about our financial condition, results of operations and business. These statements include, among others:

- **statements about our anticipated exploration results, costs and feasibility of production, production** estimates, receipt of permits or other regulatory or government approvals and plans for the development of our properties;

- statements concerning the benefits or outcomes that we expect will result from our business activities and certain transactions that we contemplate or have completed, such as receipt of proceeds, increased revenues, decreased expenses and avoided expenses and expenditures; and

- statements of our expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts.

These statements may be made expressly in this document or may be incorporated by reference to other documents that we will file with the SEC. Many of these statements can be found by looking for words such as "believes", "expects", "anticipates", "estimates" or similar expressions used in this report or incorporated by reference in this report.

Forward-looking statements and information are based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties, risks and contingencies, and there can be no assurance that such statements and information will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and information.

We caution you not to put undue reliance on these forward-looking statements, which speak only as of the date of this report. Further, the information contained in this document or incorporated herein by reference is a statement of our present intention and is based on present facts and assumptions, and may change at any time and without notice, based on changes in such facts or assumptions. Readers should not place undue reliance on forward-looking statements.

Risk Factors Impacting Forward-Looking Statements

The important factors that could prevent us from achieving our stated goals and objectives include, but are not limited to, those set forth in the "Risk Factors" section in our report on Form 10-K and the following:

- our ability to raise funds required for the execution of our business strategy;

- our ability to secure permits or other regulatory and government approvals needed to operate, develop or explore our mineral properties and projects;

- decisions of foreign countries, banks and courts within those countries;

- unexpected changes in business, economic, and political conditions;

- operating results of MSC;
- fluctuations in interest rates, inflation rates, currency exchange rates, or commodity prices;
- timing, quality of mineralized material processed and amount of mine production;
- our ability to retain and attract key personnel;
- technological changes in the mining industry;
- changes in operating, exploration or overhead costs;
- access and availability of materials, equipment, supplies, labor and supervision, power and water;
- results of current and future exploration activities;
- results of pending and future feasibility studies or the expansion or commencement of mining operations without feasibility studies having been completed;
- changes in our business strategy;
- interpretation of drill hole results and the geology, grade and continuity of mineralization;
- the uncertainty of reserve estimates and timing of development expenditures;
- litigation or regulatory investigations and procedures affecting us;
- changes in federal, state, provincial and local laws and regulations;
- local and community impacts and issues including criminal activity and violent crimes;
- accidents, public health issues, and labor disputes;
- our continued listing on a public exchange;
- uncertainty relating to title to mineral properties; and
- changes in relationships with the local communities in the areas in which we operate.

We undertake no responsibility or obligation to update publicly these forward-looking statements, except as required by law and may update these statements in the future in written or oral statements. Investors should take note of any future statements made by or on our behalf.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Our exposure to market risks includes, but is not limited to, the following risks: changes in foreign currency exchange rates, equity price risks, commodity price fluctuations, credit risk and inflationary risk. We do not use derivative financial instruments as part of an overall strategy to manage market risk.

Further, our participation in the joint venture with Hochschild for the 49% interest held at MSC creates additional risks because, among other things, we do not exercise decision-making power over the day-to-day activities at MSC; however, implications from our partner's decisions may result in us having to provide additional funding to MSC or in a decrease in our percentage of ownership.

Foreign Currency Risk

In general, the devaluation of non-U.S. dollar currencies with respect to the U.S. dollar has a positive effect on our costs and liabilities which are incurred outside the U.S. while it has a negative effect on our assets denominated in non-U.S. dollar currency. Although we transact most of our business in U.S. dollars, some expenses, labor, operating supplies and property and equipment are denominated in Canadian dollars, Mexican pesos or Argentine pesos.

Since 2008, the Argentine peso has been steadily devaluing against the U.S. dollar by 10% to 40% on an annual basis. During the six months ended June 30, 2019, the Argentine peso devalued 12% compared to a devaluation of 55% in the same period of 2018.

During the six months ended June 30, 2019, the Mexican peso appreciated by 2% against the U.S. dollar, compared to the 1% devaluation in the same period of 2018.

The Canadian dollar experienced a 4% appreciation against the U.S. dollar for the six months ended June 30, 2019, compared to the 5% devaluation in the comparable period of 2018.

Further, we are also subject to foreign currency risk on the fluctuation of the Mexican peso on our VAT receivable balance. As of June 30, 2019, our VAT receivable balance was Mexican peso 20,842,039, equivalent to approximately $1.1 million, for which a 1% change in the Mexican peso would have resulted in a gain/loss of less than $0.1 million in the *Consolidated Statements of Operations*.

The value of cash and cash equivalents denominated in foreign currencies also fluctuates with changes in currency exchange rates. Appreciation of non-U.S. dollar currencies results in a foreign currency gain on such investments and a depreciation in non-U.S. dollar currencies results in a loss. We have not utilized material market risk-sensitive instruments to manage our exposure to foreign currency exchange rates but may do so in the future. We hold portions of our cash reserves in non-U.S. dollar currencies.

Based on our Canadian cash balance of $3.8 million (C$4.9 million) at June 30, 2019, a 1% change in the Canadian dollar would result in a gain/loss of less than $0.1 million in the *Consolidated Statements of Operations*. We also hold negligible portions of our cash reserves in Mexican and Argentina pesos, with effect of a 1% change in these respective currencies resulting in gains/losses immaterial for disclosure.

Equity Price Risk

We have in the past sought and will likely in the future seek to acquire additional funding by sale of common stock or other equity securities. Movements in the price of our common stock have been volatile in the past and may also be volatile in the future. As a result, there is a risk that we may not be able to sell equity securities at an acceptable price to meet future funding requirements.

We have invested and may continue to invest in shares of common stock of other entities in the mining sector. Some of our investments may be highly volatile and lack liquidity caused by lower trading volumes. As a result, we are inherently exposed to fluctuations in the fair value of our investments, which may result in gains or losses upon their valuation.

Commodity Price Risk

We produce and sell gold and silver, therefore changes in the price of gold and silver could significantly affect our results of operations and cash flows in the future. Change in the price of gold and silver could materially affect our revenues. Based on our revenues from gold and silver sales of $52.0 million for the six months ended June 30, 2019, a 10% change in the price of gold and silver would have had an impact of approximately $5.2 million on our revenues. Changes in the price of gold and silver can also affect the provisionally-priced sales that we make under agreements with refiners and other purchasers of our products. At June 30, 2019, we had no gold or silver sales subject to final pricing.

We have in the past and may in the future hold a portion of our treasury in gold and silver bullion, where the value is recorded at the lower of cost or market. Gold and silver prices may affect the value of any bullion that we hold in treasury.

We do not hedge any of our sales and are therefore subject to all changes in commodity prices.

Credit Risk

We may be exposed to credit loss through our precious metals and doré sales agreements with Canadian financial institutions and refineries if these customers are unable to make payment in accordance with the terms of the agreements. However, based on the history and financial condition of our counterparties, we do not anticipate any of the financial institutions or refineries to default on their obligation. As of June 30, 2019, we do not believe we have any significant credit exposure associated with precious metals and our doré sales agreements.

In Mexico, we are exposed to credit loss regarding our VAT receivable if the Mexican tax authorities are unable or unwilling to make payments in accordance with our monthly filings. Timing of collection on VAT receivables is uncertain as VAT refund procedures require a significant amount of information and follow-up. The risk is mitigated to the extent that the VAT receivable balance can be applied against future income taxes payable. However, at this time we are uncertain when, if ever, our Mexican operations will generate sufficient taxable operating profits to offset this receivable against taxes payable. We continue to face risk on the collection of our VAT receivables, which amount to $1.1 million as at June 30, 2019.

In Nevada and Ontario, Canada we are required to provide security to cover our projected reclamation costs. As at June 30, 2019, we have surety bonds of $35.7 million in place to satisfy bonding requirements for this purpose. The bonds have an annual fee of 2% of their value. Although we do not believe we have any significant credit exposure associated with these bonds, we are exposed to the risk that the surety bonds may no longer be accepted by the governmental agencies as satisfactory reclamation coverage, in which case we would be required to replace the surety bonding with cash.

Inflationary Risk

Argentina has experienced a significant amount of inflation over the last nine years and has now been classified as a highly inflationary economy. ASC 830 defines a hyperinflationary economy as one where the cumulative inflation rate exceeds 100% over the last three years preceding the reporting period. In this scenario, ASC 830 requires companies to change the functional currency of its foreign subsidiaries operating in a highly inflationary economy, to match the company’s reporting currency. In our case, the functional currency of all our Argentine subsidiaries has always been our reporting currency, the U.S. dollar. As such, we do not expect the classification of Argentina’s economy as a highly inflationary economy to change our financial reporting methodology.

Item 4. CONTROLS AND PROCEDURES

(a) We maintain a system of controls and procedures designed to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934, as amended ("Exchange Act"), is recorded, processed, summarized and reported, within time periods specified in the SEC's rules and forms and to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. As of June 30, 2019, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

(b) There were no changes in our internal control over financial reporting during the quarter ended June 30, 2019 that materially affected or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II OTHER INFORMATION

Item 1A. RISK FACTORS

There have been no material changes from the risk factors disclosed in Part I, Item 1A, of our Form 10-K.

Item 4. MINE SAFETY DISCLOSURES

At McEwen Mining, safety is a core value, and we strive for superior performance. Our health and safety management system, which includes detailed standards and procedures for safe production, addresses topics such as employee training, risk management, workplace inspection, emergency response, accident investigation and program auditing. In addition to strong leadership and involvement from all levels of the organization, these programs and procedures form the cornerstone of safety at McEwen Mining, ensuring that employees are provided a safe and healthy environment and are intended to reduce workplace accidents, incidents and losses, comply with all mining-related regulations and provide support for both regulators and the industry to improve mine safety.

The operation of our Gold Bar mine is subject to regulation by the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). MSHA inspects our Gold Bar mine on a regular basis and may issue citations and orders when it believes a violation has occurred under the Mine Act. While we contract a majority of the mining operations at Gold Bar to an independent contractor, we may be considered an "operator" for purposes of the Mine Act and may be issued notices or citations if MSHA believes that we are responsible for violations.

We are required to report certain mine safety violations or other regulatory matters required by Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act and Item 104 of Regulation S-K, and that required information is included in Exhibit 95 filed with this report.

Item 6. EXHIBITS

The following exhibits are filed or incorporated by reference with this report:

3.1.1	Second Amended and Restated Articles of Incorporation of the Company as filed with the Colorado Secretary of State on January 20, 2012 (incorporated by reference from the Current Report on Form 8-K filed with the SEC on January 24, 2012, Exhibit 3.1, File No. 001-33190).
3.1.2	Articles of Amendment to the Second Amended and Restated Articles of Incorporation of the Company as filed with the Colorado Secretary of State on January 24, 2012 (incorporated by reference from the Current Report on Form 8-K filed with the SEC on January 24, 2012, Exhibit 3.2, File No. 001-33190).
3.2	Amended and Restated Bylaws of the Company (incorporated by reference from the Current Report on Form 8-K filed with the SEC on March 12, 2012, Exhibit 3.2, File No. 001-33190).
10.1	Offer Letter between the Company and Dr. Merushe (Meri) Verli, PhD, CA, CPA dated May 3, 2019 (incorporated by reference from the Current Report on Form 8-K filed with the SEC on May 9, 2019, Exhibit 10.1, File No. 001-33190).
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Robert R. McEwen.
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Dr. Merushe (Meri) Verli.
32	Certification pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 for Robert R. McEwen and Dr. Merushe (Meri) Verli.
95	Mine safety disclosure.
101	The following materials from McEwen Mining Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 are filed herewith, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the Unaudited Consolidated Statements of Operations and Comprehensive (Loss) for the three and six months ended June 30, 2019 and 2018, (ii) the Unaudited Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018, (iii) the Unaudited Consolidated Statement of Changes in Shareholders' Equity for the three and six months ended June 30, 2019 and 2018, (iv) the Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2019 and 2018, and (v) the Unaudited Notes to the Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MCEWEN MINING INC.

/s/ Robert R. McEwen

Date: July 30, 2019

By: Robert R. McEwen,
Chairman and Chief Executive Officer

/s/ Meri Verli

Date: July 30, 2019

By: Meri Verli,
Chief Financial Officer