



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six-month
periods ended June 30, 2022



MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management’s Discussion and Analysis (“MD&A”) of the operations, results, and financial position of Aya Gold & Silver Inc. (“Aya”) and its subsidiaries (together the “Corporation”), dated August 11, 2022, covers the three and six-month periods ended June 30, 2022 and should be read in conjunction with the Corporation’s condensed interim consolidated financial statements and related notes for the three and six-month periods ended June 30, 2022 and the audited consolidated financial statements and related notes for the year ended December 31, 2021.

The Corporation’s June 30, 2022, condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”, as issued by the International Accounting Standards Board. The condensed interim consolidated financial statements and the financial information contained in this MD&A reflect management’s best estimates and judgment based on information currently available. All financial results presented in this MD&A are expressed in United States dollars unless otherwise indicated.

This MD&A contains forward-looking information that is subject to risk factors set out in a cautionary note in this MD&A under “Cautionary Statement Regarding Forward-Looking Information”. All information contained in the Corporation’s condensed interim consolidated financial statements and in this MD&A has been reviewed by the Audit Committee and approved by the Corporation’s Board of Directors. This MD&A is current as of August 11, 2022, unless otherwise stated.

DESCRIPTION OF THE BUSINESS

Aya Gold & Silver Inc. is a Canadian-based precious metals mining corporation focusing on the exploration, development, production, and acquisition of precious metals mining projects. The Corporation is concentrated on producing silver and exploration activities at its flagship project, the Zgounder property. Aya owns 85% of Zgounder Millennium Silver Mine S.A (“ZMSM”), which owns the Zgounder property. The Corporation also owns 85% of the Boumadine polymetallic project and owns the permits related to the Amizmiz, Azegour and Imiter bis properties. These properties are located in the Kingdom of Morocco. Following the acquisition of Algold Resources Ltd. (“Algold”) completed on June 10, 2021 (See section Acquisition of Algold Resources Ltd.), Aya owns 75% of the Tijirit project located in Mauritania.

Aya was incorporated under the Canada Business Corporations Act; and its financial year-end is December 31. It trades on the Toronto Stock Exchange under the symbol “AYA” and on the OTCQX under the symbol “AYASF”. Aya’s issued and outstanding share capital totals 104,976,857 common shares on August 11, 2022. The Zgounder Silver Mine is in operation while all other projects are at the exploration and evaluation stage.



Q2-2022 QUARTER HIGHLIGHTS

- Record operations in terms of silver ounces produced, mined, and recovered
 - Produced 459,061 ounces (“oz”) of silver (“Ag”), a 5% increase from Q2-2021
 - Mined 63,817 tonnes (“t”) (701 tons per day (“tpd”)) during the quarter including monthly record production of 809 tonnes per day in June
 - Combined mill recovery of 87.9%, a 7% increase from Q2-2021
- Silver sales of 439,080 oz, a 5% increase from Q2-2021.
- Revenue of \$8.6 million, a 13% decrease from Q2-2021.
- Operating cash flow for the period of \$1.1 million, compared with \$5.5 million in Q2-2021.
- Cash costs per silver ounce sold of \$11.35 compared to \$11.61 in Q2-2021⁽¹⁾.
- Ore processed of 59,995 t.
- Throughput averaged 659 tpd in the quarter.
- Successful exploration program at Zgounder:
 - Extended eastern zone and further defined the upper underground mine workings
 - Returned Zgounder’s best-ever intersection in terms of grade-thickness
 - Completed geophysical airborne survey on Zgounder Regional together with mapping and sampling
- Exploration of rich regional portfolio located along the South Atlas Fault:
 - Drilled 4,210m at Boumadine following completion of geophysical airborne survey
 - Conducted a 624m diamond drill hole (“DDH”) program on Imiter bis with full assay results expected in the third quarter
- Community initiatives with long-life impact
 - Began supporting the local saffron-growing industry through plans for a garden nursery and educational farm
 - Funded and conducted two mobile health clinics benefiting adults and children
- Advanced Zgounder production expansion on time and on budget:
 - 1,130m of lateral development work completed
 - Delivered the front-end engineering design (“FEED”) on schedule
 - Received quotations for 21 mechanical equipment packages, including all key long-lead items
 - Received more than 90% (in value) of the mechanical equipment procurement offers, which re-confirm the process plant CAPEX and OPEX estimated in the feasibility study (“FS”)
 - Selected a supplier for the ball mill package
- Robust financial position with \$67.9 million of cash, cash equivalents and restricted cash ⁽²⁾.

⁽¹⁾ Non-GAAP Measures, refer to page 13 and 14.

⁽²⁾ Non-GAAP Measures, consisting of cash and cash equivalents of \$65,448,594 and restricted cash of \$2,496,211 (December 31, 2021 balances of \$81,665,834 and \$2,519,385 respectively).

Q2-2022 QUARTER OPERATING AND FINANCIAL HIGHLIGHTS

Key Performance Metrics	Three-month period ended June 30			Six-month period ended June 30		
	2022	2021	Variation	2022	2021	Variation
Operational						
Ore Processed (tonnes)	59,995	56,318	7%	121,996	104,790	16%
Average Grade (g/t Ag)	273	297	(8%)	232	296	(22%)
Mill Recovery (%)	87.9%	82.0%	7%	84.2%	82.4%	2%
Silver Ingots Produced (oz)	219,762	174,786	26%	343,098	365,407	(6%)
Silver in Concentrate Produced (oz)	239,299	264,363	(9%)	424,308	462,874	(8%)
Total Silver Produced (oz)	459,061	439,149	5%	767,406	828,281	(7%)
Silver Ingots Sold (oz)	196,556	163,499	20%	396,056	325,999	21%
Silver in Concentrate Sold (oz)	242,524	256,498	(5%)	449,832	446,017	1%
Total Silver Sales (oz)	439,080	419,997	5%	845,888	772,016	10%
Avg. Net Realized Silver (\$/oz)	19.53	23.51	(17%)	20.97	23.85	(12%)
Cash Costs per Silver Ounce Sold ⁽³⁾	11.35	11.61	(2%)	13.28	11.11	20%
Financial						
Revenues	8,573,549	9,873,276	(13%)	17,736,413	18,414,549	(4%)
Cost of sales	5,780,483	4,922,434	17%	12,945,813	8,885,685	46%
Gross Margin	2,793,066	4,950,842	(44%)	4,790,600	9,528,864	(50%)
Operating (Loss) Income	505,093	1,993,848	(75%)	254,697	4,452,326	(94%)
Net (Loss) Earnings	724,319	250,693	189%	(1,237,930)	1,070,363	(216%)
Operating Cash Flows	1,100,810	5,493,640	(80%)	308,644	9,904,580	(97%)
Cash and Restricted Cash ⁽⁴⁾	67,944,805	36,874,048	84%	67,944,805	36,874,048	84%
Shareholders						
Earnings (Loss) per Share – basic	0.007	0.003	NM	(0.012)	0.011	NM
Earnings (Loss) per Share – diluted	0.007	0.003	NM	(0.012)	0.011	NM

*NM – Not Meaningful

Operational Highlights

- Quarterly silver production of 459,061 oz, of which 239,299 oz as silver concentrate and 219,762 oz as silver ingots. The 5% year-over-year increase in silver ounces produced this quarter is a direct result of the higher mill throughput and recovery rate.

⁽³⁾ The Company reports non-GAAP measures, including cash costs per silver ounce, which are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and the methods used by the Company to calculate such measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on page 13 and 14 for a reconciliation of non-GAAP to GAAP measures.

⁽⁴⁾ See footnote ⁽²⁾ on page 2.

- Head grade of 273 g/t Ag was recorded in the quarter compared to 297 g/t Ag in the same quarter prior. Grade returned to expectations as change mining in higher grade areas and new stopes were opened in the first quarter.
- Milling operations averaged 659 tonnes per day (“tpd”) for the period. Average combined mill recovery of 87.9% compared to 82.0% in Q2-2021, an increase of 7%.
- 15,581m of surface drilling completed on the Zgounder property as at June 30, 2022. Five rigs are currently operating at Zgounder.
- Cash cost per silver ounce sold for the quarter was \$11.35 per ounce, compared to \$11.61 per ounce in Q2-2021. The decrease in cash cost per silver ounces sold was primarily due to a reduction of 18% in smelting, refining and transport costs between Q2-2022 and Q2-2021.⁽⁵⁾
- Cost of sales of \$5,780,483 (Q2-2022 – \$4,922,434) with an average cost per silver ounce sold during the quarter of \$11.35 /oz compared to \$11.61 /oz in Q2-2021.

Financial Highlights

- The Corporation has cash, cash equivalents and restricted cash of \$67,944,805 as at June 30, 2022 compared to \$36,874,048 as at June 30, 2021.⁽⁶⁾
- Revenue from silver sales for the quarter totaled \$8,573,549 (Q2-2021 – \$9,873,276), a decrease of 13% driven by the average net silver realized price per silver ounce that decreased by 17% from Q2-2022 to Q2-2021 and an increase of 5% in ounces sold.
- Operations generated a gross margin of \$2,793,066 compared to \$4,950,842 in Q2-2021, a decrease of 44%.
- Net income for the period was \$724,319 (EPS of \$0.007), compared to a net income of \$250,693 (EPS of \$0.003) in Q2-2021.
- Cash flows generated by operating activities of \$1,100,809 for the period, compared to \$ 5,493,640 generated in operating cash flows for Q2-2021, representing a decrease of 80%. This change is driven by a large change in working capital items.

OPERATING RESULTS

Zgounder Silver Mine

The focus in the second quarter of 2022 was on accelerating development of the underground mine infrastructure to support the mine expansion. A total of 765 meters of permanent horizontal infrastructure was completed in Q2-2022, for a total of 1,130m year to date, in line with the planned ramp-up. New mining equipment was received during the quarter required to sustain production efforts and accelerate ground support.

Due to the implementation of effective water use measures, there have been no water-related impacts on production despite an exceptionally dry season compared to last year.

As part of the preparations for the expansion, detailed engineering of the TSF began and the plant FEED was completed by Lycopodium. The construction team was fully mobilised on site as earthworks are planned to start mid-Q3. Negotiations are ongoing for the engineering procurement construction (“EPC”) contract for the plant.

Mine & Milling Operations

During the second quarter, a production record of 459,061 oz was reached at a global silver recovery of 87.9%, another record for the Zgounder mills. The cyanidation plant operated at 97.1% availability, and the flotation plant at 83.9% due to crusher maintenance, resulting in a total milling rate of 659 tpd. A total of 59,995t were milled at a silver grade of

⁽⁵⁾ Non-GAAP Measures, refer to page 13 and 14.

⁽⁶⁾ See footnote ⁽²⁾ on page 2.

273 g/t. Silver grade significantly increased on a quarter-over-quarter basis as new stopes prepared during the first quarter came into operation.

During the second quarter, a mining production record of 63,817t was achieved, at a grade of 278 g/t for a production rate of 701 tpd including a monthly record of 809 tpd in June. This was primarily due to stope planning in the previous quarter and to a lesser degree, to the delivery of new mining equipment.

Capital Projects

The bulk of capital projects completed this quarter related to mine production. Two scoops, a dumper, two scissor lift platforms and jackhammers were delivered in Q2 and incorporated into production. A temporary explosive storage facility was completed and commissioned to ensure timely commencement of the new mill's earthworks in Q3-2022. A platform was constructed for mobilisation of the CMAC mining contractor, responsible for vertical mine infrastructure. Commissioning of the cyanidation tailings thickener has commenced, with its full impact on improving water and silver recoveries expected in Q3-2022.

The construction pace for mining infrastructure continues to closely track the planned development ramp-up: out of the 1,130m of infrastructure completed year-to-date, 765m were advanced in Q2, double the amount of the first quarter. This is expected to continue to increase throughout the year.

In Q2-2022, an on-site independent third-party sample preparation room was commissioned by African Laboratory for Mining and the Environment that will accelerate the turnover time of our sample analysis.



Figure 1: Commissioning of on-site sample preparation room at Zgounder

DEVELOPMENT & EXPLORATION

Zgounder Exploration

The second quarter saw the Corporation return high-grade DDH results that continued to expand the eastern zone and further defined the upper areas of the Zgounder Mine underground workings. During the period, three surface drills targeted the surface extensions of the eastern zones and the central portion of the Zgounder deposit. The objective was to increase the resources in the far eastern portion of the deposit for the proposed open pit designation. Several holes were also designed to confirm the vertical and lateral continuity of known mineralized envelopes.

Notably, near-surface hole TD28-22-2030-042 returned the thickest high-grade silver intercept publicly recorded on the property and significantly extended the work area by delineating a new area between two mineralized zones. Hole ZG-22-47 confirmed the northern extension of mineralized body 8y1965-2110. Hole ZG-22-47 returned 47.9m (from 126.5m to 174.4m) of mineralization with several strikes of native silver (plating in joints and passages in dissemination) and sulfide (blende mainly, pyrite and galena in traces).

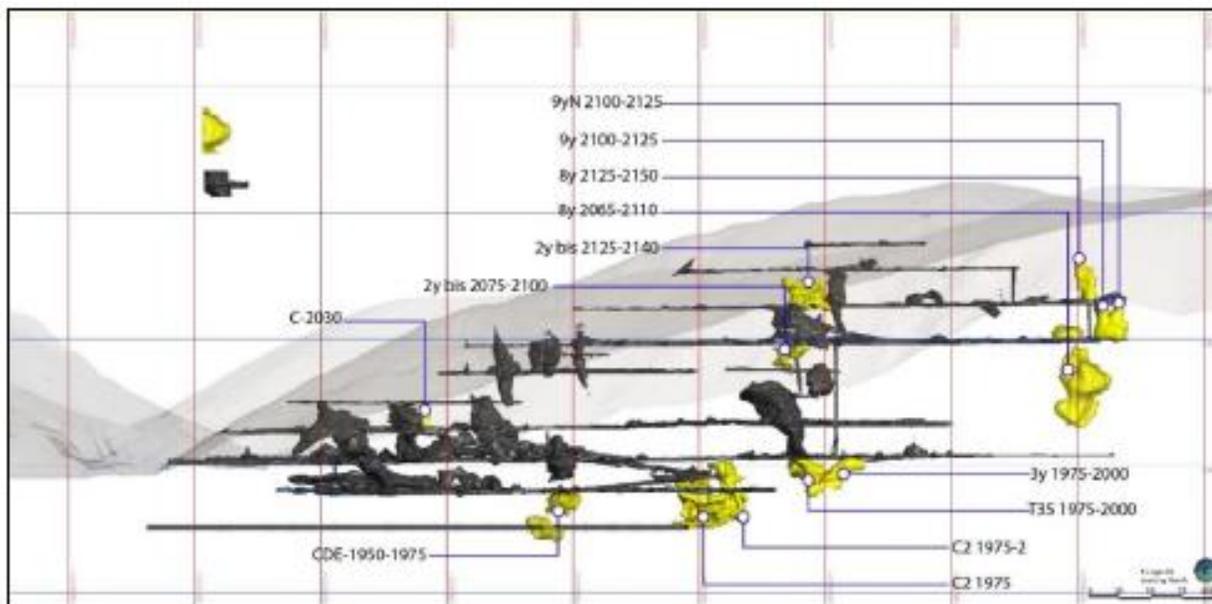


Figure 2 – Longitudinal section of Zgounder showing body 8y 2065-2110 at the eastern end of the deposit

Zgounder Regional

The geophysical airborne survey of the Zgounder Regional permits was completed in June comprising a total of 8,543-line kilometers. Results will be combined with those from the mapping program and the hyperspectral data to generate targets for a drilling program planned to start in Q3-2022. Mapping and prospecting continued in the quarter. A total of 609 grab samples have been taken year to date, and several geological targets are already emerging.

The technical information relating to the Zgounder Project was reviewed and approved by David Lalonde, B. Sc, Head of Exploration, designated as a Qualified Person under National Instrument 43-101.

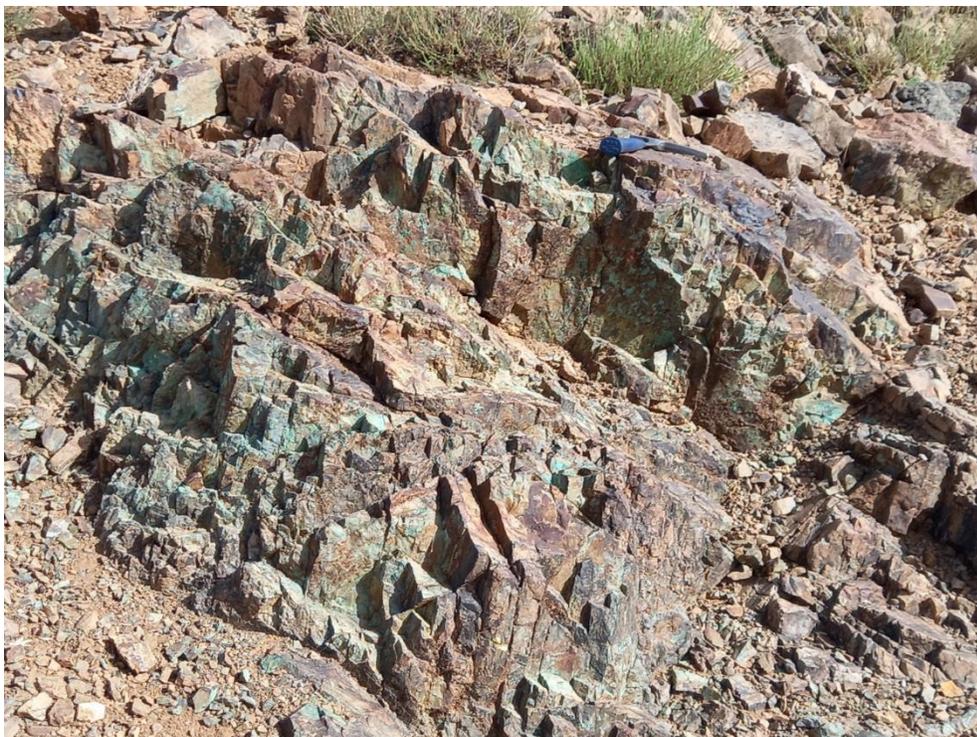


Figure 3 – Malachite-rich outcrop from Zgounder Regional mapping campaign

Zgounder Development

On February 22, 2022, the Corporation completed a feasibility study to expand the Zgounder Silver Mine from 700 tpd to 2,700 tpd capacity (see press release dated February 22, 2022) which includes a maiden reserve estimate of 8.59 Mt at an average grade of 257 g/t for 70.9 Moz Ag. The initial estimated capital expenditures are \$139.4 million, and the first silver pour is planned in Q1-2024. Post-expansion, the mine is expected to produce 7.9 million oz of silver for an initial life of mine (“LOM”) of 11 years at an all-in sustaining cost (“AISC”) of \$9.58/oz. Project economics, using a silver price of \$22 per oz, indicate an after-tax 5% present value (“NPV”) of \$373 million and an after-tax Internal Rate of Return (“IRR”) of 48%. At a silver price of \$23.50, the NPV increases to \$433 million and the IRR to 54%.

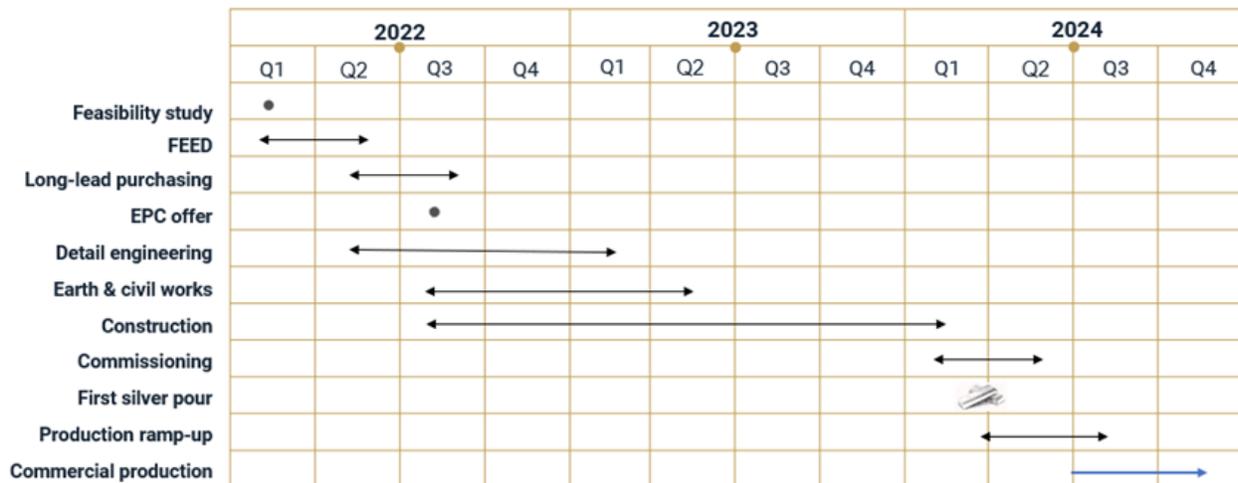
In the second quarter, Aya continued advancing the Zgounder Expansion Project towards construction start-up by Q3-2022, notably by achieving the following items:

- Mine underground development on schedule and aligned with the FS at quarter-end:
 - A total of 1,130 m of lateral underground mine development effected to date
 - Mobilised CMAC-Thyssen in July 2022 and start of vertical mine development in August 2022
- Completed the FEED on schedule in the quarter
- Simplified the general flowsheet of the process plant through additional metallurgical test work:
 - The new, whole-ore-leach process plant flowsheet will allow for better process water management and recycling. Furthermore, the counter-current decantation circuit will offer greater operational flexibility and leverage existing operating expertise
 - Revised and optimized the process design criteria, mass and water balances, and the process flow diagrams
 - Drafted the Initial piping and instrumentation diagrams and issued a preliminary process control philosophy document

- Received quotations for 21 mechanical equipment packages, including all key long-lead items, from a pre-approved list of vendors
 - More than 90% (in value) of the mechanical equipment procurement offers for the new process plant have been received and re-confirm the process plant CAPEX and OPEX estimated in the FS.
 - Selected a supplier for the ball mill package, and negotiations of final terms and conditions are ongoing. A purchase order is expected shortly.
 - Awarded a contract for the earthworks for the new process plant and the new haulage road to a major Moroccan contractor.
 - Opened discussions with two engineering and project delivery companies regarding construction of the processing plant and received their offers in July.
 - Awarded the contract for the detailed design of the new Tailings Storage Facility (“TSF”) to a local Moroccan civil engineering firm.
 - Awarded the Engineer of Record (“EoR”) mandate to a well-known South African civil engineering company. The companies have begun to collaborate on the detailed design of the first phase of the new TSF.
- Completed hiring for the internal construction team.

The figure below presents the planned timeline for the project expansion

Figure 4 – Zgounder expansion project execution simplified Gantt chart



Boumadine Development

A 349-line km airborne geophysical survey was completed in April comprising magnetic, radiometric, and electromagnetic surveys. The 7,500m DDH program commenced in May on the Central Zone, with a total of 4,210m completed by quarter-end. Massive sulphide mineralized zones have been intersected in many holes, confirming the extension of the Boumadine structures. Results are expected in the third quarter.



Figure 5 – Ongoing drilling activities at Boumadine Project

The technical information relating to the Boumadine Project was reviewed and approved by David Lalonde, B. Sc, Head of Exploration, designated as a Qualified Person under National Instrument 43-101.

Imiter bis Exploration

Phase I of drilling at Imiter bis was completed in April, with 624m of diamond drilling in Q2, bringing the 2022 total to 4,754m. Assay results are expected to be fully received by early Q3 and will inform Phase II which is scheduled for Q4.

The airborne geophysical survey comprising magnetic, radiometric, and electromagnetic over 554km linear kilometers was completed in April.

The technical information relating to the Imiter bis Project was reviewed and approved by David Lalonde, B. Sc, Head of Exploration, designated as a Qualified Person under National Instrument 43-101.

Tijirit Development – Mauritania

Following the acquisition of Algold in June 2021, the Corporation launched a feasibility study (“Tijirit FS”) to assess the potential for developing Tijirit. Several globally recognised engineering consultants including Lycopodium Minerals Canada, SGS Canada Inc., DRA Americas Inc., and GCIM have been mandated to complete the Tijirit FS.

The Tijirit FS focuses on the Eleonore and Eleonore East deposits, with a base case scenario of a 1,000 tpd processing plant that can be easily expanded to 2,000 tpd. The flowsheet will comprise a conventional primary crush and SAG milling circuit, followed by gravity gold recovery and leaching. A work program has been established to complete the Tijirit FS which includes:

- As at June 30, 2022, the Tijirit FS was 85% complete (design of the processing plant and related infrastructure).
- A metallurgical testwork program aimed at defining the leaching conditions and expected recovery of the carbon-in-leach plant was completed in Q3-2021. A second phase of the testwork program that focuses on heap leach testing the Sophie and Lily areas, has been paused until the field work program re-starts.
- 25,000m of drilling are yet to be completed to convert in-pit inferred resources into the M&I categories and to expand the mineral resource base.
- All field work programs such as drilling, geotechnical and hydrogeological programs, remain delayed by the ongoing presence of illegal artisanal miners. Resumption of fieldwork is currently planned for Q3-2022.

SUSTAINABILITY

Q2-2022 Update

The Corporation has anchored responsible mining and positive social impact at the heart of its Zgounder growth plan. Under the second-quarter Environment, Social and Governance (“ESG”) action plans, the team achieved the following:

- Heightened health and safety (“HSE”) measures and procedures through training (fire suppression, safety induction for new hires, underground draining techniques, workplace first-aid); increased signage on site; sorting and recycling of waste; monthly water sampling; and evaluation by an external agency and training of process leaders for implementation of ISO 9001 quality management system.
- Improved environmental awareness among employees and contributed to greening of the mine site through collective planting of trees and celebration of World Environment Day
- Agricultural revenue-generating projects – Promoted local wealth creation by
 - Strengthening the local saffron-growing industry - planning underway to set up a plant nursery and teaching farm for 2 cooperatives with aim of protecting and supplying bulbs within saffron-growing zones
- Health – Together with local health authorities, improved community health outcomes by:
 - Funding and conducting a mobile medical clinic that screened 1,925 patients for diabetes and hypertension
 - Funding and holding a two-week clinic in local schools during which the Zgounder Mine medical team conducted medical check-ups on 2,480 children, liaised with parents, and created a data base for hospital follow-up
 - Donating medical and paramedical equipment to the local health clinic
- Education – Helped reduce school drop-out rates and strengthen educational capacity by purchase of school buses for two schools and beginning renovation work on one school.
- Infrastructure – Improved general community infrastructure by funding water connectivity and upgrading roads.



Figure 6: Screening for diabetes during a Zgounder Mine-funded mobile community health clinic

OVERVIEW OF FINANCIAL PERFORMANCE

For the three and six-months period ended June 30, 2022, and 2021 (in dollars):

	Three-month periods ended June 30			Six-month periods ended June 30		
	2022	2021	Variance	2022	2021	Variance
Revenues	8,573,549	9,873,276	(13%)	17,736,413	18,414,549	(4%) (1)
Cost of sales	5,780,483	4,922,434	17%	12,945,813	8,885,685	46%
Gross Margin	2,793,066	4,950,842	(44%)	4,790,600	9,528,864	(50%) (3)
General and administrative expenses	1,346,422	1,257,788	7%	2,697,044	2,270,252	19%
Share-based payments	941,551	1,699,206	(45%)	1,838,859	2,806,286	(34%)
Operating earnings	505,093	1,993,848	(75%)	254,697	4,452,326	(94%)
Net finance (income) expense	(971,398)	594,880	(263%)	228,615	1,156,456	(80%)
Net (loss) income before income taxes	1,476,491	1,398,968	6%	26,082	3,295,870	(99%)
Income tax expense	752,172	1,148,275	(34%)	1,264,012	2,225,507	(43%)
Net (loss) income for the period	724,319	250,693	189%	(1,237,930)	1,070,363	(216%) (8)
Income (loss) per share (basic and diluted)	0.007	0.003	NM	(0.012)	0.011	NM

NM – Not meaningful

Three-month period ended June 30, 2022, compared to three-month period ended June 30, 2021

- Revenues** for the quarter decreased by 13% compared to the same quarter in the previous year even though silver sales increased by 5% (439,080 oz in Q2-2022 compared to 419,997 oz in Q2-2021) due to the average realized price of silver sold was \$19.53/oz (\$23.51/oz in 2021), representing a 17% decrease.
- Cost of sales** in the period were 17% higher than in the same period of the previous year based on higher volume of ore processed (59,995 tonnes in Q2-2022 vs 56,318 tonnes in Q2-2021), an increase of 7%. Consumables, supplies, services, and other expenses were 7% higher since the Corporation has completed more definition drilling in Q2-2022 compared to Q2-2021 to define more production faces to support production for the remainder of the year. The increase is also explained by an increase in operations and maintenance

costs associated with increased production. Maintenance costs will continue to be higher this year as catch-up from the past continues.

3. **Gross margin** in the quarter was down 44% resulting from the increased costs and lower average net realized price of silver sold as explained above.
4. **General and administrative expenses** were up slightly, in large part because of the increase in personnel as the Corporation continues to build out operations, exploration and development teams.
5. **Share-based payments** represent the vesting of options, DSU's and RSU's that the Corporation awarded to certain employees, directors, and officers, resulting in an additional expense of \$941,551 for the quarter.
6. **Net finance (income) expense** is lower than in the same period the year before principally due to a gain on foreign exchange of \$(783,302) compared to a loss of \$594,880 for the same period a year earlier.
7. **Income tax expense** in the period was (34%) lower than in the same period of the previous year due to a decrease in net earnings of our Moroccan operating entity.
8. As a result of the foregoing, a **net income** of \$724,319 (EPS of \$0.007) was recorded for the quarter compared to a net income of \$250,693 (EPS of \$0.003) in the same quarter of the year prior.

Six-month period ended June 30, 2022, compared to six-month period ended June 30, 2021

1. **Revenues** for the six-month period ended June 30, 2022, totaled \$17,736,413 compared to \$18,414,549 in the prior year representing a 4% decrease. For the six-month ended June 30, 2022, a total of 767,406 oz were produced (828,281 oz in 2021) representing a 7% decrease year over year. The average realized price of silver sold was \$20.97/oz (\$23.85/oz in 2021), representing a 12% decrease.
2. **Cost of sales** in the period were 46% higher than in the same period of the previous year based on higher volume of ore processed (121,996 tonnes in Q2-2022 vs 76,807 tonnes in Q2-2021), an increase of 59%. The Corporation executed more definition drilling in H1-2022 compared to H1-2021 to define more production faces to support production for the remainder of the year. The increase is also explained by an increase in operations and maintenance costs associated with increased production. Maintenance costs will continue to be higher this year as catch-up from the past continues.
3. **Gross margin** in the first half of the year was 50% lower than in the same period a year ago, due to increase of 46% of cost of sales. The decrease in gross margin H1-2022 is a direct result of the lower grade mined in Q1-2022 and additional cost of sales as explained above.
4. **General and administrative expenses** were up significantly, in large part because of the increase in personnel as the Corporation continues to build out operations, exploration and development teams.
5. **Share-based payments** represent the vesting of options that the Corporation awarded to certain employees, directors, and officers, resulting in an additional expense of \$1,838,859 for the period. The Corporation awarded 458,744 Restricted Share Units and 79,812 Deferred Share Units during the period.
6. **Net finance (income) expense** in the period were 80% lower than in the same period of the previous year due to a reduction in the foreign exchange loss than went from of \$1,143,948 in H1-2021 to 197,532 in H1-2022.
7. **Income tax expense** in the period was (43%) lower than in the same period of the previous year due to a decrease in net earnings of our Moroccan operating entity.
8. As a result of the foregoing, a **net loss** of \$(1,237,930) (EPS of \$(0.012)) was recorded for the first six months of 2022 compared to a net income of \$1,070,363 (EPS of \$0.011) in the same period of the year prior.

SUMMARY OF QUARTERLY RESULTS

Selected Quarterly Information

Quarter ended	Revenues	Net profit (loss)	Net profit (loss) per share (basic)
	\$	\$	\$
June 30, 2022	8,573,549	724,319	0.007
March 31, 2022	9,162,864	(1,962,249)	(0.019)
December 31, 2021	8,025,122	(1,086,033)	(0.011)
September 30, 2021	7,862,243	1,287,812	0.011
June 30, 2021	9,873,276	250,693	0.003
March 31, 2021	8,541,273	819,670	0.009
December 31, 2020	9,508,703	1,635,140	0.021
September 30, 2020	1,748,191	(1,784,504)	(0.021)

Revenues this quarter decreased 6% from Q1-2022 due to the average net realized price of silver sold which decreased from \$22.52 in Q1-2022 to \$19.53 in Q2-2022. The net income in the quarter ended in Q2-2022 was 137% higher at \$724,319 than the loss of \$(1,962,249) due to an average grade of 273 g/t of Ag compared to 192 g/t of Ag in Q1-2022.

NON-GAAP MEASURES

In addition to the corresponding GAAP figures, the Company uses non-GAAP key performance metrics to monitor and assess the operational performance of each active mining unit by calculating the cash cost per ounce to assess operating performance at each of its active mining units. This indicator is commonly used as a measure of performance in the mining sector, but they are presented in addition to the IFRS indicators, although there is no consistent definition. These indicators are used by management and investors to assess the cost of operations compared to peers and the performance of each mine in the portfolio.

The below indicators are non-GAAP performance indicators and was calculated using World Gold Council (or "WGC") guidelines. WGC is not an industry regulatory agency and therefore does not have the authority to develop accounting standards for disclosure specifications. Due to differences in underlying accounting rules and procedures, and the definition of sustainable and other groupings with other mining companies may calculate cash costs in a variety of ways.

In accordance with the condensed interim financial statements, the following table reconciles cash costs, cash costs per ounce produced, and cash costs per ounce sold on an attributable basis to cost of sales.

Zgouder Silver Mine - Morocco	Three-month period ended June 30th,	
	2022	2021
Cost of sales ⁽⁷⁾	5,780,483	4,922,434
Amortization	(1,398,132)	(778,643)
Cost of sales, excluding amortization	4,382,351	4,143,791
<u>Add:</u>		
Smelting, refining and transport costs ⁽⁸⁾	600,320	731,197
Adjusted Operating Cash Costs (A)	4,982,671	4,874,988

⁽⁷⁾ As per note 14 of the condensed interim consolidated financial statements for the total of cost of sales.

⁽⁸⁾ As per note 13 of the condensed interim consolidated financial statements for treatment, smelting and refining costs reported as net of sales.

Silver Ounces Produced (C)	459,061	439,149
Silver Ounces Sold (D)	439,080	419,997
Cash Cost per Silver Ounce Produced (A/C)	10.85	11.10
Cash Cost per Silver Ounce sold (A/D)	11.35	11.61

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2022, the Corporation had working capital ⁽⁹⁾ of \$ 63,890,709 (\$76,413,389 as at December 31, 2021) including cash and cash equivalents of \$65,448,594 (\$81,665,834 at December 31, 2021). The Corporation has sufficient liquidity to finance its operations for at least the next 12 months. Although the Corporation had an operating cash flow of \$308,644 for the six-month period ended June 30, 2022, principally from the Zgounder operation, the Corporation's principal sources of financing in the past have been equity and debt financing. The success of debt and equity financings are dependent on capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration and evaluation activities and be able to support its ongoing operations and future mine expansion, the Corporation may be required to raise further equity financing in the capital markets. The Corporation is currently in discussions with various lenders to fund the expansion of the Zgounder Silver Mine.

Financing sources

The table below presents the financing amounts received during the last eight quarters up to date of this report.				
Date	Type	Financings	Gross Amounts (\$)	Description of the use of proceeds
Sep. 15, 2021	Short Form Prospectus	Common shares	\$55,202,199	The net proceeds of the financing after deductions of the financing costs, are being used for the expansion of the Zgounder Mine, for advancement of other properties and for general corporation purposes.
Sep. 3, 2020	Private Placement	Common shares	\$20,016,468	The net proceeds of the financing after deductions of the financing costs are being used for the continued optimization of the Zgounder Mine, exploration drilling and for general corporate purposes.
From Jan. 21, 2021 to Jul. 20, 2022	Warrants	Common shares	\$4,345,137	The net proceeds from the exercise of warrants are being used for the expansion of the Zgounder Mine, for advancement of other properties and for general corporation purposes.
From Jan. 21, 2021 to Sep. 2, 2021	Brokers warrants	Common shares	\$1,101,811	The net proceeds from the exercise of brokers warrants are being used for the expansion of the Zgounder Mine, for advancement of other properties and for general corporation purposes.
From Feb. 3, 2021 to Mar. 9, 2022	Options exercised	Common shares	\$1,414,516	The net proceeds from the exercise of options are being used to fund general administrative expenses, investing activities and other working capital needs.

⁽⁹⁾ Non-GAAP Measures consisting of current assets of \$83,057,186 minus current liabilities of \$19,166,477 (December 31, 2021: current assets of \$93,864,173 minus current liabilities of \$17,450,784).

CAPITAL MANAGEMENT

The Corporation defines capital as equity. When managing capital, the Corporation's objectives are to:

- Ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions;
- Ensure the externally imposed capital requirements relating to debt obligations are being met;
- Increase the value of the Corporation's assets; and
- Achieve optimal returns to shareholders.

These objectives are achieved by operating its assets efficiently, identifying the right exploration and evaluation projects, adding value to these projects, and ultimately taking them to production or obtaining sufficient proceeds from their disposal. Management adjusts the capital structure as necessary to support the acquisition, exploration and evaluation and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach is appropriate given the relative size of the Corporation. There were no changes in the Corporation's approach to capital management for the period ended June 30, 2022.

COMMITMENTS AND CONTINGENCY

Royalties

As per terms of property purchase agreements, the Corporation is also committed to pay the following royalties:

- 2.5% Net Smelter Royalty ("NSR") to Société d'Exploration Géologique des Métaux ("SEGM") on the Amizmiz property and an 8 km radius area of interest;
- 2.5% royalty to Ouiselat Mines (a private Moroccan company) on revenue from the Azegour property;
- 3.0% royalty to ONHYM on revenue from the Zgounder property or 2,536,206 dirhams (\$255,204) and 4,750,798 dirhams (\$489,549) for the three-month and six-month periods ended June 30, 2022 (2,573,593 dirhams (\$299,570) and 5,230,907 dirhams (\$586,588)) for the three-month and six-month periods ended June 30, 2021); and
- 3.0% royalty to ONHYM on revenue from the Boumadine property;
- For the Tijirit property:
 - Between 4.0%-6.5% royalty to the government of Mauritania depending on the price of gold. For production above 50,000oz, an additional 0.25% royalty, for every additional 100,000oz;
 - 1.5% NSR to Osisko Gold Royalties which is 50% purchasable by the Corporation; and
 - \$100,000 to ANARPAM on production of up to 30,000oz of gold and an additional \$1/oz produced on production between 30,001 - 300,000oz of gold.

Tijirit commitments

The Tijirit project has the following commitments associated with the project:

- C\$1,500,000 to Endeavour Mining, payable upon achieving a NI-43-101 compliant mineral reserve of 1Moz of gold;
- \$2,000,000 to ANARPAM at the commencement of production.

Net Profit Interest

In 2013, the Corporation agreed to a net-profit interest (“NPI”), agreement with Global Works, Assistance and Trading S.A.R.L. (“Glowat”), a related party to the previous CEO and director of the Corporation, equal to 5% of the gross revenues generated from the operations of the Zgounder Silver Mine, less mining and milling costs. The agreement is subject to a dispute following the departure of the former CEO.

RISKS AND UNCERTAINTIES

The operations of the Corporation are speculative due to the high-risk nature of its business, which are the operation, acquisition, financing, exploration, evaluation, and development of mineral projects. The risks below are not the only ones facing the Corporation. Additional risks not currently known to the Corporation or that the Corporation currently deems immaterial, may also impair the Corporation’s operations. If any of the following risks actually occur, the Corporation’s operating, exploration, and financial results may be significantly different from those expected as at the date of this MD&A.

Financial Risk Factors

Disclosure and description of the Corporation’s capital management, financial risks and financial instruments in notes 16, 17 and 18 of the condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2022 contain the risk factors associated with the Corporation.

Risks Inherent to Mining Exploration

The Corporation is engaged in the business of operating, exploring, developing, and acquiring mineral properties in the hope of locating or expanding on economic mineral deposits. Except for the Zgounder Silver Mine, all of the Corporation’s property interests are at the exploration stage and are without a known mineral reserve. Accordingly, there is little likelihood that the Corporation will realize any profits in the short- to medium term from these properties. Any profitability in the future from the Corporation’s business will be dependent upon locating economic mineral deposits. There can be no assurance, even if an economic mineral deposit is located, that it can be commercially mined.

Uncertainty in the Calculation of Mineral Reserves, Resources and Silver Recovery

There is a degree of uncertainty attributable to the estimation of Mineral Reserves and Mineral Resources (as defined in National Instrument 43-101). Until Mineral Reserves or Mineral Resources are mined, extracted, and processed, the quantity of minerals and their grades must be considered estimates only. In addition, the quantity of Mineral Reserves and Mineral Resources may vary depending on, among other things, applicable metal prices. Any material change in the quantity of Mineral Reserves, Mineral Resources, grade or mining widths may affect the economic viability of some or all of the Corporation’s mineral properties and may have a material adverse effect on the Corporation’s operational results and financial condition. Mineral Resources on the Corporation’s properties have been estimated based on economic factors at the time of calculation; variations in such factors may have an impact on the amount of the Corporation’s Mineral Resources. In addition, there can be no assurance that silver recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue.

Uninsured Risks

The Corporation’s business is subject to several risks and hazards, including environmental conditions, adverse environmental regulations, political and foreign country uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation’s properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Metal Price Volatility

The profitability of the Corporation's operations will be significantly affected by changes in metal prices. Metal prices are volatile, can fluctuate substantially and are affected by numerous factors beyond the Corporation's control. In addition, metal prices are sometimes subject to rapid short-term changes because of speculative activities.

Additional Funding Requirements

To continue exploration and development of its projects, the Corporation will require additional capital. In addition, a positive production decision at the projects or any other development projects acquired in the future would require significant capital for project engineering and construction. Accordingly, the continuing development of the Corporation's projects will depend upon the Corporation's ability to obtain financing through debt financing, equity financing, the joint venturing of projects or other means. There is no assurance that the Corporation will be successful in obtaining the required financing for these or other purposes.

Regulatory Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Corporation and could adversely affect its operations, business, and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Projects. To the extent such approvals are required and not obtained, the Corporation may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Environmental Matters

The Corporation's operations are subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Corporation may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products which could occur because of its mineral exploration, development, and production. Additionally, other environmental hazards may exist on a property in which the Corporation directly or indirectly holds an interest that are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the property. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties.

To the extent the Corporation is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Corporation. If the Corporation is unable to fully remedy an environmental problem, it may be required to suspend operations or execute interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Corporation.

Risk of Project Delay

There is significant risk involved in the development and construction of mining projects. There could be project delays due to circumstances beyond the Corporation's control. Risks include but are not limited to delays in acquiring necessary mining and surface rights, project economics, capital funding, delays in obtaining environmental and construction authorizations and permits, as well as unforeseen difficulties encountered during the development process including labour disputes. Any of these factors among many others could cause delays in the Corporation's ability to achieve its targeted timelines.

Risk on the Uncertainty of Title

Although the Corporation has obtained title opinions with respect to its key properties and has taken all necessary measures to ensure proper title to its properties, including filing of necessary documents and payment of rents to local regulatory authorities, there is no guarantee that the title to any of its properties will not be challenged. Third parties may, unbeknownst to the Corporation, have valid claims underlying portions of the Corporation's interests.

Risk Linked to Conflict of Interest

Certain directors and officers of the Corporation may also serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. Furthermore, certain directors and officers of the Corporation may also serve as directors of other companies involved in mineral exploration and development. Consequently, the possibility of conflict of interest exists at several levels.

To the extent that such other companies may participate in ventures in which the Corporation is also participating, or participate in business transactions with the Corporation, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each Corporation's participation. Canadian law requires the directors and officers of the Corporation to act honestly, in good faith, and in the best interests of the Corporation and its shareholders. However, in conflict-of-interest situations, our directors and officers may owe the same duty to another Corporation and will need to balance the competing obligations and liabilities of their actions or declare and refrain from voting on any matters in which such directors have a conflict of interest.

Human Resource Risk

The Corporation is dependent on its ability to attract, retain and develop highly skilled and experienced workforce and key management employees. The loss of these employees may adversely affect its business and operations. To this effect, the Corporation offers competitive remuneration and benefits and it also implemented regular training sessions to improve general and specific skills of its work force. As part of its succession planning, the Corporation also identified a limited number of high potential employees whose development aims at making them key managers within a short to medium term.

Reputational Risk

The consequence of reputational risk is a negative impact to the Corporation's public image, which may influence its ability to acquire future mining projects and retain or attract key employees. Reputational risk may arise under many situations including, among others, cyber-attacks and media crisis. Prior to acquiring a particular project, the Corporation mitigates reputational risk by performing due diligence, which includes a review of the mining project, the country, the scope of the project and local laws and culture. Once the decision to participate in a mining project has been taken, the Corporation continues to assess and mitigate reputational risk through regular Board and Board Committees reviews.

Political Risk

Aya operates in the Kingdom of Morocco and in Mauritania following the acquisition of Algold.

Morocco

The government of Morocco supports the development of its natural resources by foreign companies, but there is no assurance that, in the future, the government will not adopt different policies or new interpretations respecting foreign ownership of mineral resources, exchange rates, environmental protection, labour relations, and repatriation of income or return of capital. Any limitation on transfer of cash or other assets between Aya and our subsidiaries could restrict our ability to fund our operations or materially adversely affect our financial condition and results of operation.

Moreover, mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. Our interpretation of taxation law, including fiscal stability provisions, as applied to our transactions and activities may not coincide with that of the tax authorities. As a result, taxes may increase and transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant taxes, penalties, and interest.

The possibility that a future government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in this or neighbouring countries.

Mauritania

The Mauritanian government supports the development of its natural resources by foreign companies, but there is no assurance that it will maintain this policy respecting foreign exploration and mining operations, exchange rates, environmental protection, labour relations, and repatriation of income or return of capital. Therefore, notwithstanding the Corporation's constructive relationship with the Mauritanian government, the Corporation remains subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, geographical and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability, local conditions, and government changes to the operating environment and regulations relating to the mining industry.

Changes in local regulations and shifts in political conditions are beyond the Corporation's control and may adversely affect its business or ability to operate and carry out normal industry operations and engagement of international consultants and personnel. Travel and access to the projects may be curtailed due to political instability, risks to personnel in remote areas, or contagion. The Corporation's operations may be affected to varying degrees by government regulations with respect to community rights, restrictions on production, price controls, export controls, restriction of earnings, capital controls, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety.

Impact of Epidemics

Aya's operations are subject to the risk of emerging infectious diseases or the threat of viruses or other contagions or epidemic diseases, including COVID-19. Any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Corporation's business, results of operations and financial condition.

OTHER FINANCIAL INFORMATION

Share Purchase Options

The following table reflects the share purchase options issued and outstanding as at the date of this MD&A:

Expiry date	Number of options	Exercise Price
	Number	CA\$
January 24, 2023	50,000	2.00
May 4, 2023	800,000	3.30
July 1, 2030	4,518,334	1.43
March 3, 2031	383,000	4.75
May 12, 2031	333,400	7.69
	6,084,734	

Share Purchase Warrants

Expiry date	Number of warrants	Exercise Price
	Number	CA\$
September 3, 2023	4,597,094	3.30
	4,597,094	

Outstanding Share Data

	Number of shares outstanding (diluted)
Outstanding as of August 11, 2022	104,976,857
Shares reserved for issuance pursuant to share purchase options	6,084,734
Shares reserved for issuance pursuant to warrants	4,597,094
Restricted share units	589,644
Deferred share units	140,085
	116,386,386

Off-Balance Sheet Arrangements

At June 30, 2022 the Corporation had no material off-balance sheet arrangements such as contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that generate financing, liquidity, market or credit risk to the Corporation, other than contingent liabilities and vendor liability and interest, as disclosed in this MD&A and the condensed interim consolidated financial statements and the related notes.

Related Party Disclosures

During the three and six-month periods ended June 30, 2022 and 2021 and the year ended December 31, 2021 the following related party transactions occurred in the normal course of operations:

- Management and consulting fees to SRG Guinee S.A.R.L., a wholly owned subsidiary of SRG Mining Inc, of \$10,384 and \$31,679 for the three-month and six-month periods ended June 30, 2022 respectively (\$19,107 and \$27,820 for the three-month and six-month periods ended June 30, 2021 respectively) and exploration and evaluation fees amounting to \$14,146 and \$27,355 for the three-month and six-month periods ended June 30, 2022 respectively (\$11,953 and \$22,668 for the three-month and six-month periods ended June 30, 2021 respectively). As at June 30, 2022, \$nil (December 31, 2021 - \$nil) was due to that company;
- Management and consulting fees to Groupe Conseils Grou, La Salle Inc., a company owned by the President and Chief Executive Officer of \$186,046 and \$373,460 for the three-month and six-month periods ended June 30, 2022 respectively (\$132,218 and \$222,972 for the three-month and six-month periods ended June 30, 2021 respectively) and general and administrative fees of \$nil for the three-month and six-month periods ended June 30, 2022 (\$12,082 and \$23,800 for the three-month and six-month periods ended June 30, 2021 respectively). As at June 30, 2022, \$193,336 (December 31, 2021 - \$445,141) was due to that company;

Remuneration of key management personnel of the Corporation

Key management included members of the Board of Directors and executive officers of the Corporation. During the three and six-month periods ended June 30, 2022 and 2021, the remuneration awarded to key management personnel (including the amounts above) is as follows:

	Three-month periods ended		Six-month periods ended	
	June 30,		June 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and benefits	272,273	214,046	576,004	286,034
Management consulting and professional fees	258,740	155,481	519,383	292,909
Director fees	11,135	72,387	23,471	151,344
Share based payments	632,860	603,151	1,108,488	1,332,985
	1,175,008	1,045,065	2,227,346	2,063,272

ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Critical Accounting Judgments and Estimates

The preparation of condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

In preparing the Corporation's condensed interim consolidated financial statements for the three and six-month periods ended June 30, 2022, and 2021, the Corporation applied the critical judgments and estimates disclosed in note 3 of its audited consolidated financial statements for the year ended December 31, 2021.

MANAGEMENT'S REPORT ON INTERNAL CONTROLS AND FINANCIAL REPORTING

Disclosure Controls and Procedures

The Corporation's board, officers and management are responsible for establishing and maintaining disclosure controls and procedures (DC&P) for the Corporation. Disclosure controls and procedures are designed to provide reasonable assurance that material information regarding our reports filed or submitted under securities legislation fairly presents the financial information of Aya and its subsidiaries and to ensure that required information is gathered and communicated to the Corporation's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as is appropriate to permit timely decisions regarding public disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

An evaluation of the effectiveness of the Corporation's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as at December 31, 2021 under the supervision of the Corporation's Disclosure Committee and with the participation of management.

Based on the results of that evaluation, the CEO and the CFO concluded that the Corporation's disclosure controls and procedures were effective as at December 31, 2021 providing reasonable assurance that the information required to be disclosed in the Corporation's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with securities legislation.

Since the December 31, 2021 evaluation, there have been no material changes to the Corporation's disclosure controls and procedures and their design remains effective.

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (ICFR) as defined in NI 52-109. A Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

A Corporation's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate. Management, under the supervision of the Certifying Officers, has evaluated the design of ICFR and based on that evaluation, the Certifying Officers have concluded that the Company's ICFR was effective as at December 31, 2021. In making this assessment,

management used the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Changes in Internal Control over Financial Reporting

There were no changes to the Company's ICFR for the quarter ended June 30, 2022, that have materially affected, or are reasonably likely to materially affect, the Company's ICFR.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain "forward-looking information", within the meaning of Canadian securities laws. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by the forward-looking information. Specifically, this MD&A includes, but is not limited to, forward-looking information regarding: the potential of the Corporation's properties; results of exploration activities and interpretation of such results; the Corporation's capacity to acquire new projects; plan, cost and timing of future exploration and development; requirements for additional capital; continuous access to capital markets; and other statements relating to the future financial and business performance and strategic plans of the Corporation.

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral resources but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such forward-looking information will prove to be accurate and actual results could differ materially from those suggested by this forward-looking information for various reasons. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Additional information on the Corporation, including the Corporation's Annual Information Form and the Corporation's condensed interim consolidated financial statements for the quarter ended June 30, 2022, is available on SEDAR at www.sedar.com and on the Corporation's website at www.ayagoldsilver.com.