



**MANAGEMENT'S
DISCUSSION
AND ANALYSIS**

**For the three and nine-month periods
ended September 30, 2024**



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 November 13, 2024, covers the three and nine-month periods ended September 30, 2024 and should be read in conjunction with the Corporation's Unaudited Condensed Interim Consolidated Financial Statements ("FS") and related notes for the three and nine-month periods ended September 30, 2024 and the audited consolidated financial statements and related notes for the year ended December 31, 2023.

The Corporation's September 30, 2024 FS have been prepared in accordance with IFRS Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). The FS and the financial information contained in this MD&A reflect management's best estimates and judgment based on information currently available. All amounts are stated in thousands of United States dollars ("US\$"), except for per share amounts, unless otherwise indicated. References to "C\$" are to the Canadian dollar.

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 FS and 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 November 13, 2024, unless otherwise stated.

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Business Overview

Aya Gold & Silver Inc. is a Canadian-based precious metals mining corporation which focuses 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 100% 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, Zgounder Regional, Tirzzit and Imiter bis properties. These properties are located in the Kingdom of Morocco. Aya also owns 75% of the Tijirit project located in Mauritania, which, subject to the completion of the transaction announced on September 12, 2024 will be developed by Mx2 Mining (see Proposed Transaction section).

Aya is incorporated under the Canada Business Corporations Act; its financial year-end is December 31, and 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 130,637,467 common shares on November 13, 2024. The Zgounder Silver Mine is in operation while all other projects are at the exploration and evaluation stage.



Q3-2024 Highlights

• Operational and Financial:

- Quarterly silver production of 355,927 ounces (“oz”) compared to 519,085 oz in Q3-2023.
- Ore processed increased to 83,352 tonnes (“t”) in Q3-2024 at a grade of 161 grams per tonne (“g/t”) compared to 70,258t in Q3-2023 at a grade of 261 g/t.
- 120,985t of ore mined in the quarter at a grade of 148 g/t for an average of 1,315 tonnes per day (“tpd”).
- Revenue of \$11.0 million in Q3-2024, representing a 6% decrease compared to \$11.7 million in Q3-2023.
- Cash cost per silver ounce sold of \$23.47 in Q3-2024.¹
- Robust financial position with \$73 million of cash and cash equivalents and restricted cash as at September 30, 2024, compared to \$70 million as at December 31, 2023.²
- Signed a non-binding term sheet for the spinout of Amizmiz Gold Project and provides an exclusive option on Tijirit Gold Project to Mx2 Mining, a new North Africa-focused gold company (See Proposed Transaction section).

• Expansion, Development and Exploration:

- Advanced the expansion of the Zgounder Mine to 99% completion with commissioning activities well underway.
- Conducted 8,532 meters (“m”) of diamond drill hole (“DDH”) drilling at depth at Zgounder.
- Completed 4,043m of DDH on Zgounder Regional.
- Continued development of Boumadine through 27,220m of DDH drilling and extension of the Main Zone strike to 5.4 kilometers (“km”).

• Environmental, Social and Governance (“ESG”):

- Provided 5,112 hours of training, a 90% increase compared to Q3-2023.
- Received ISO 9001 certification, a globally recognized standard for quality management.
- Submitted, for the first time, multi-environmental disclosure to the Carbon Disclosure Project.
- Began planning a pediatric health clinic with local partners.

¹ The Corporation reports non-GAAP measures, including cash costs per silver ounce and available liquidity, 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 Corporation to calculate such measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on page 25 for a reconciliation of non-GAAP to GAAP measures.

² Non-GAAP Measures, consisting of cash and cash equivalents of \$54,836 and restricted cash of \$18,258 (December 31, 2023, balances of \$49,830 and \$20,503 respectively).

Q3-2024 and YTD-2024 Operational and Financial Highlights

Operational	Three-month periods ended			Nine-month periods ended		
	September 30,			September 30,		
	2024	2023	Variance	2024	2023	Variance
Ore Mined (tonnes)	120,985	132,998	(9)%	341,890	317,131	8%
Average Grade Mined (g/t Ag)	148	208	(29)%	161	219	(26)%
Ore Processed (tonnes)	83,352	70,258	19%	245,246	215,185	14%
Average Grade Processed (g/t Ag)	161	261	(38)%	176	254	(31)%
Combined Mill Recovery (%)	83.0%	86.6%	(3.6)%	83.3%	87.0%	(3.7)%
Silver Ingots Produced (oz)	114,825	195,913	(41)%	357,040	567,120	(37)%
Silver in Concentrate Produced (oz)	241,102	323,172	(25)%	797,914	953,480	(16)%
Total Silver Produced (oz)	355,927	519,085	(31)%	1,154,954	1,520,600	(24)%
Silver Ingots Sold (oz)	137,001	205,043	(33)%	366,726	519,664	(29)%
Silver in Concentrate Sold (oz)	266,956	338,940	(21)%	797,468	985,045	(19)%
Total Silver Sales (oz)	403,957	543,983	(26)%	1,164,194	1,504,709	(23)%
Avg. Net Realized Silver (\$/oz)	27.29	21.53	27%	25.58	21.12	21%
Cash Costs per Silver Ounce Sold ³	23.47	10.73	119%	20.30	12.10	68%
Adjusted Cash Costs per Silver Ounce Sold ⁴	19.93	–	NM	19.07	–	NM
Financial						
Revenues	11,024	11,714	(6)%	29,780	31,779	(6)%
Cost of Sales	9,146	5,531	65%	22,652	20,766	9%
Gross Profit	1,878	6,183	(70)%	7,128	11,013	(35)%
Operating (Loss) Income	(3,062)	3,652	(184)%	(4,277)	3,532	(221)%
Net (Loss) Income	(263)	1,206	(122)%	3,959	1,742	127%
Operating Cash Flows	(6,049)	7,724	(178)%	(10,976)	15,514	(171)%
Cash and Restricted Cash ⁵	73,094	71,173	3%	73,094	71,173	3%
Total Assets	435,363	245,218	78%	435,363	245,218	78%
Total Non-Current Financial Liabilities	100,383	2,681	3,644%	100,383	2,681	3,644%
Shareholders						
(Loss) Earnings per Share – basic	(0.00)	0.01	NM	0.03	0.01	NM
(Loss) Earnings per Share – diluted	(0.00)	0.01	NM	0.03	0.01	NM

*NM – Not Meaningful

³ The Corporation reports non-GAAP measures, including cash costs per silver ounce and available liquidity, 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 Corporation to calculate such measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on page 25 for a reconciliation of non-GAAP to GAAP measures.

⁴ Non-GAAP Measures, refer to page 25.

⁵ Non-GAAP Measures, consisting of cash and cash equivalents \$54,836 and restricted cash of \$18,258 (September 30, 2023, balances of \$50,610 and \$20,563 respectively).

Q3-2024 Operational Highlights:

- Quarterly silver production of 355,927 oz, comprising 241,102 oz as silver concentrate and 114,825 oz as silver ingots.
- Mill average feed grade of 161 g/t Ag was recorded in Q3-2024 compared to 261 g/t Ag in Q3-2023, a decrease of 38%.
- Milling operations reached 906 tpd, continuing to surpass design capacity of 700 tpd, compared to 764 tpd in Q3-2023.
- Average combined mill recovery of 83% in Q3-2024 compared to 86.6% in Q3-2023, a decrease of 3.6%.
- Plant availabilities reached 95.4% and 96.7% for the flotation and cyanidation plants, respectively.
- 120,985t of ore were mined in Q3-2024 for an average of 1,315 tpd mined compared to 132,998 tonnes (1,446 tpd) in Q3-2023. The mining cadence is in line with the stockpile level planned for the start of the new plant.
- A total of 8,532m of drilling was completed at Zgounder, 4,043m on Zgounder Regional permits, and 27,220m at Boumadine.
- Cost of sales of \$9,146 (Q3-2023 – \$5,531) with an average cash cost per oz of \$23.47 in Q3-2024 compared to \$10.73 oz in Q3-2023.⁶

Q3-2024 Financial Highlights:

- Revenue from silver sales totaled \$11,024 in Q3-2024, (Q3-2023 – \$11,714), a decrease of 6% representing an average realized price of \$27.29 per oz (Q3-2023 - \$21.53/oz).
- Operations generated a gross profit of \$1,878 in Q3-2024 compared to \$6,183 in Q3-2023, a decrease of 70%.
- Net loss was \$(263) (diluted EPS of \$(0.00)) in Q3-2024, compared to \$1,206 (diluted EPS of \$0.01) in Q3-2023.
- Cash flow used by operating activities of \$6,049 in Q3-2024 compared to \$7,724 generated in Q3-2023.

YTD-2024 Operational Highlights:

- Silver production totaled 1,154,954 oz, of which 797,914 oz as silver concentrate and 357,040 oz as silver ingots, in YTD-2024. The 24% decrease compared with the silver ounces produced in YTD-2023, is a direct result of the lower feed grade and recovery.
- Mill average feed grade of 176 g/t Ag was recorded in YTD-2024 compared to 254 g/t Ag in YTD-2023, a decrease of 31%.
- Milling operations averaged 895 tpd in YTD-2024 compared to 788 tpd in YTD-2023, an increase of 14%. Combined mill recovery averaged 83.3% in YTD-2024 compared to 87% in YTD-2023, a decrease of 3.7%.
- 25,162m of DDH were completed at Zgounder, 9,833m on Zgounder Regional permits, and 69,293m at Boumadine in YTD-2024.
- Cost of sales of \$22,652 in YTD-2024 (YTD-2023– \$20,766) with an average cash cost per silver ounce sold of \$20.30/oz in YTD-2024 compared to \$12.10/oz in YTD-2023.⁷

YTD-2024 Financial Highlights:

- Revenue from silver sales for YTD-2024 totaled \$29,780 (YTD-2023 – \$31,779), a decrease of 7% representing an average net realized price of \$25.58 per oz (YTD-2023- \$21.12/oz).
- Operations generated a gross profit of \$7,128 in YTD-2024 compared to \$11,013 in YTD-2023, a decrease of 43%.
- Net income was \$3,959 (diluted EPS of \$0.03 in YTD-2024, compared to a net income of \$1,742 (diluted EPS of \$0.01) in YTD-2023.
- Cash flow used by operating activities of \$10,974 in YTD-2024, compared to \$15,514 generated in operating cash flow in YTD-2023.
- On February 14, 2024, the Corporation closed a bought deal public financing and issued 7,573,900 common shares in the capital of the Corporation at a price of C\$10.25 per share for gross proceeds of approximately C\$77.6 million (\$57.3 million). The Offering was completed by way of a prospectus supplement filed on February 8, 2024. The proceeds from the financing are intended for the advancement of exploration and development programs at Boumadine, the exploration program at Zgounder Regional and other properties, as well as for working capital and general corporate purposes.

⁶ Non-GAAP Measures, refer to page 25.

⁷ Non-GAAP Measures, refer to page 25.

Operating Results

Zgounder Silver Mine Operations

The total mining rate for the quarter averaged 1,315 tpd, for a total of 120,985t of ore mined at a grade of 148 g/t Ag. Overall, stockpiles totaled 347,560t at quarter-end. Underground development was completed as planned. The development team is now focused on new stope development and on old stope rehabilitation required to ramp up production and improve grade.

In Q3, nine stopes were in operation. Six additional stopes were in development or being defined. An additional four stopes were in rehabilitation or in redesign. Higher-grade stopes should be reached in the coming quarters as known, defined, vertical ore bodies become accessible via the 1,925m level.

In Q3-2024, 60,026t of ore were produced from the open pit at an average grade of 178 g/t Ag for the quarter. The open pit mine had a strip ratio of 11 during Q3-2024, similar to the planned mine life strip ratio. The open pit is contractor-mined, and technical services are provided by the Aya operations team. To date, the contractor's performance and the costs associated with mining the open pit continue to plan and in line with our expectations.

In the same period, the underground mine produced 60,959t at 119 g/t Ag, a lower grade than was originally planned for the quarter. The lower grade was due to two main factors. Cement backfill was delayed by two months and is expected to resume in Q4; as a result, high-grade stopes were halted awaiting to be backfilled. As we restart cement backfill, mining in these stopes will resume. The delay was caused by a defect in the mixing equipment which impeded ramp-up. Additionally, operations at three stopes were suspended for rehabilitation. Ore from these stopes remains accessible but need rework. Production in the underground mine came mostly from ore drives which traversed low grade zones.

In October 2024, mining grade improved to 196 g/t. Ore processed was 191 g/t Ag for a total production of approximately 144,000 oz Ag in the month.

In Q3-2024, 83,352t of ore were processed. Total mill availability for the quarter was 96%. Mill feed grade was 161 g/t Ag, and recovery averaged 83%. The two current plants continue to surpass design capacity and maintain excellent availability. The drop in recovery is due to the grade processed as recovery is linked to grade. Total production of 355,927 oz was achieved in the quarter.

The annual safety program is ongoing with interdepartmental safety meetings and training solidifying best practices at Zgounder.



Figure 1 - Zgounder Emergency Responder Drills

Capital Projects

Capital projects in Q3-2024 were mainly related to the mine de-watering circuit and finalizing the new plant. Underground work focused on electrical installation of new levels, commissioning of the underground mechanical workshop, the new 1,925-level ventilation raise, and the ore and waste chutes. At surface, new water wells were completed to further improve water storage. Construction of employee-focused infrastructure such as changing rooms and recreational spaces, is complete.

2024 Revised Guidance and Outlook

On September 6, 2024, the Corporation announced a delay in commissioning due to an issue encountered by the EPC provider to correct the installation of the ball mill hydraulic unit. Along with this delay, the Corporation indicated it would revise 2024 production guidance. Production guidance is expected to be 1.6 - 1.8Moz for 2024. As a result of the delay in commissioning and its impact on the Corporation's prior production guidance, the Corporation is withdrawing all other guidance figures presented in the year-end 2023 MD&A and March 28, 2024 press release are withdrawn. Please note that forward looking statements or forward looking information in this MD&A are subject to the risk factors and discussion set out in this MD&A under "Cautionary Statement Regarding Forward Looking Information".

Development and Exploration

Zgounder Exploration

During Q3-2024, approximately 8,532m of infill drilling were carried out on the Zgounder mining permit, testing the down dip of the deposit. Four underground rigs and one surface rig were mobilized. The quarter saw positive results at depth near the granite contact and from lateral extensions east-west, signaling potential for resource growth. Drill highlights include 1,339 g/t Ag over 9.5m including 2,984 g/t Ag over 4.0m in the Central Zone, and 2,372 g/t Ag over 6.5m in the Eastern Zone. The 30,000m exploration program for the year will be completed in Q4.

Zgounder Regional

During the third quarter, a surface rig conducted a total of 4,043m on Zgounder Regional targets with the aim of discovering satellite deposits to Zgounder. Drilling focused on Zgounder East, Zgounder South, Zgounder South-East and Zgounder North-West targets adjacent to the mine. In the first nine months of 2024, a total of 9,833m have been drilled on the regional properties and results are pending.

Zgounder Construction

The Corporation is currently expanding the Zgounder Silver Mine from 700 tpd to 2,700 tpd processing capacity. At the end of Q3-2024, construction of the plant and surface infrastructure continued to track budget. Overall, the expansion project was 99% complete, compared to over 95% at the end of Q2-2024.

- Mine expansion is fully funded.
- Mill commissioning began on schedule in late Q2-2024.
- Tailings and water storage facilities are complete.
- Processing plant is 99% complete and commissioning is ongoing.
- Electrical infrastructure is fully complete and operational.
- Underground development, both lateral and vertical, is complete.
- Production from the open pit and underground is ongoing.
- \$159 million of growth and sustaining capex has been incurred, and an additional \$7 million is expected to be incurred on the project by its completion.

Mine Development

All mine development included in the expansion initial capital budget has been completed. Mine development is now focused on stope access and definition as part of our ramp-up program. Installation of mine services are near-complete. Mine de-watering at lower levels and underground connectivity are progressing. Mechanical completion and commissioning of the new 1,925-level ventilation raise and upper-level ore chutes are expected to be complete by year-end.

Construction of both surface and underground mine infrastructures, including workshops, warehouses, backfill station, and the electrical substation is ongoing with all critical items delivered for ramp-up. The current ore stockpile allowed the team to mine at a steady rate in Q3-2024 and delivered new stopes for mine ramp-up as the mill is being commissioned.

Processing Plant

As of September 30, 2024, the processing plant construction was 99% complete and hot commissioning was ongoing.

Installation of structures and equipment is complete, with electrical works, instrumentation and piping near-complete. Commissioning activities began on the ball mill and Merrill-Crowe sub-systems. As of September 30, 2024, the EPC contractor had completed the necessary on-site deliveries. Wet commissioning is near-complete and the first ore in mill is planned in early Q4.



Figure 2 - Wet Commissioning in Progress



Figure 3 - New Merrill Crowe and Refinery Building

Infrastructure

Commissioning of the new assay laboratory is ongoing, and it is expected to be fully functional in Q4. Construction of the new warehouses and workshops are complete, and both are in use.

Off site, the 90km, 60kV overhead electrical powerline connecting the Zgounder Mine is complete and operational. Both the on-site main electrical power substation and the 22kV electrical distribution stations are complete and running to plan.

Water collected by the mine's dams is being pumped to the water storage basins for commissioning. Over 400,000m³ of water storage capacity has been built, sufficient to sustain operations during the dry season. At quarter-end, over half of the total storage capacity had been filled on site. Evaporation mitigation measures were deployed during the dry season. New water wells have been commissioned to increase the water supply and reduce dependency on rainfall.



Figure 4 - Overview of Water Storage Basins and Tailings Storage Facility

Operational Readiness

Aya's operations team is mobilized and the hiring of necessary personnel continues. All teams are functional as they continue to grow. Aya has hired various commissioning experts to assist, de-risk and accelerate commissioning. All senior personnel have been hired and labor recruitment is ongoing. The EPC firm responsible for the plant construction and commissioning has also mobilized senior engineers to support commissioning. The ramp-up to commercial production is planned for Q4.

The figure below presents the planned timeline for the project expansion.



Figure 5 - Zgounder Expansion Project Execution Simplified Gantt Chart

The table below presents the construction progress by main project as at September 30, 2024:

Area	Progress
Processing Plan	99%
Underground and Open-Pit Mines	98%
Tailings	100%
Water Management	100%
Electrical Infrastructure	100%
On-site Infrastructure	98%

Boumadine Development

A total of 69,293m (139 DDH and one RC holes) were completed at Boumadine in the first nine months of the year with 10 rigs operating to complete the planned 120,000m drill program. Half of the drilling program is designed to test the continuity of the known trend and for infill, and the other half to test new targets generated by 2023 work and supplemented by 2024 hyperspectral and geophysical surveys.

During the third quarter, 27,220m of drilling were completed, mainly on the Tizi, Para, Main and East-West Zones. Results extended the strike length of the main mineralized trend by 400m to 5.4km and indicated potential for additional mineralization styles. The results also confirmed the high grade and continuity of the Tizi Zone, which remains open in all directions.

Highlights from the Tizi Zone include BOU-DD24-340 which returned 3.1m at 412 g/t silver equivalent ("AgEq") (1.22 g/t gold ("Au"), 199 g/t Ag, 3.0% zinc ("Zn"), 1.0% lead ("Pb") and 0.1% copper ("Cu")).⁸ with BOU-DD24-324 in the Para Zone hitting 4.4m at 260 g/t (0.66 g/t Au, 111 g/t Ag, 0.01% Cu, 1.19% Pb, and 2.26% Zn). Results from the Main Zone, including BOU-DD24-376, intersected 462 g/t AgEq over 2.8m (2.25 g/t Au, 49 g/t Ag, 7.8% Zn, 0.6% Pb and 0.1% Cu including 2.0m at 494 g/t AgEq, extending the strike length to 5.4km, and the East-West Zone returned 1,937 g/t Ag and 1.66% Cu over 1.9m in a new style of high-grade mineralization.

The Corporation has received the remaining results from the property-wide MobileMT geophysical survey that was carried out earlier this year. Initial results had outlined multiple potential conductive anomalies with a similar or stronger response than the known Boumadine conductors. These geophysical targets will be test drilled in the coming months. Figure 6 presents the

⁸ All intersections are in core lengths. Ag equivalent is based on a silver price of US\$21/oz with a process recovery of 89%, a gold price of US\$1,900/oz with a process recovery of 85%, a zinc price of US\$1.20/lb with a process recovery of 72%, a lead price of US\$1.00/lb with a process recovery of 85%, and a copper price of US\$4.00/lb with a process recovery of 75% resulting on the following ratios: 1g/t Au: 76.9 g/t Ag; 1% Cu: 97.63 g/t Ag; 1% Pb: 27.7 g/t Ag; 1% Zn: 28.1 g/t Ag.

3D inversion and planned drill holes for the section 3476300N, which displays a similar geophysical signature to Boumadine 5km west.

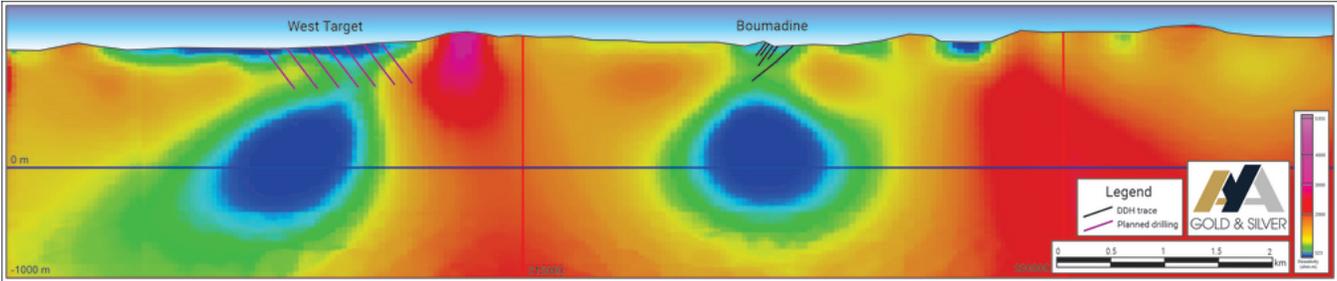


Figure 6 - Section 3476300 with 3D Inversion and the West Conductivity Target

Tirzzit Exploration

The third quarter saw compilation and analysis of the data from the geophysical and MobileMT surveys over Tirzzit, in parallel to data from hyperspectral imaging and geological mapping. The interpretation is expected in Q4-2024.

Sustainability

During Q3-2024, the Corporation continued to implement its Environment and Social Management System (“ESMS”). Below are the main activities during the quarter:

- Provided 5,112 hours of health and safety training, a 90% increase compared to Q3-2023.
- Received ISO 9001 certification, a globally recognized standard for quality management.
- Submitted multi-environmental disclosure to Carbon Disclosure Project, for the first time.
- Supported community stakeholders:
 - Education – Prepared to launch an online educational program for middle school children in a second school, building on results from the first year in a single school that showed a 68% annual increase in students opting for science streams.
 - Health – Began planning a mobile pediatric clinic with local partners.
 - Livelihood projects – Prepared soil for winter, commissioned pumping equipment, and added signage at the saffron and vegetable community farms.
 - Co-operative support – Updated co-operatives on progress of the Stakeholder Engagement Plan, and supported others with their funding applications.
 - Infrastructure – Completed the widening of a 26-km road section between two villages.



Figure 7 - Graduate from Aya-supported Literacy Program

Overview of Financial Performance

For the three and nine-month periods ended September 30, 2024 and 2023 (in thousands of dollars):

	Three-month periods ended			Nine-month periods ended		
	September 30,			September 30,		
	2024	2023	Variance	2024	2023	Variance
Revenues	11,024	11,714	(6)%	29,780	31,779	(6)% (1)
Cost of sales	9,146	5,531	65%	22,652	20,766	9% (2)
Gross profit	1,878	6,183	(70)%	7,128	11,013	(35)% (3)
General and administrative expenses	2,273	1,711	33%	6,541	5,106	28% (4)
Share-based payments	2,667	820	225%	4,864	2,375	105% (5)
Operating (loss) income	(3,062)	3,652	(184)%	(4,277)	3,532	(221)%
Net finance income (expense)	4,631	(1,385)	(434)%	11,330	1,400	709% (6)
Net income before income taxes	1,569	2,267	(31)%	7,053	4,932	43%
Income tax expense	1,832	1,061	73%	3,094	3,190	(3)% (7)
Net (loss) income for the period	(263)	1,206	(122)%	3,959	1,742	127% (8)
Income per share (diluted)	(0.00)	0.01	NM	0.03	0.01	NM (8)

NM – Not Meaningful

Three-month period ended September 30, 2024, compared to the three-month period ended September 30, 2023

- Revenues from silver sales** totaled \$11,024 in Q3-2024 compared to \$11,714 in Q3-2023, driven by a 26% decrease in ounces sold to 403,957 oz in Q3-2024 compared with 543,983 oz in Q3-2023. The average net realized silver price per oz sold increased by 27% to \$27.29 in Q3-2024 compared to \$21.53 in Q3-2023.
- Cost of sales** in Q3-2024 increased by 65% compared to Q3-2023 due to processing 19% more tonnes and additional operational costs for expansion preparations, mine ramp-up, health and safety activities and the two-month delay in the expansion of the Zgounder Mine. Underground mining costs also increased in the quarter as we used our mining contractor to increase the rate of stope development and catch up on bolting and screening. In aggregate these costs of approximately \$1.4 million raised the cash cost per oz sold to \$23.47 in Q3-2024 compared to \$10.73 in Q3-2023.⁹ These extra costs will normalize in the coming quarters as we complete the catch up and production ramps up with the operation of the new Zgounder plant. The additional costs represented \$3.53/oz sold. Without these additional costs, cash cost per ounce sold would have been \$19.93/oz in Q3-2024.¹⁰
- Gross profit** for the quarter decreased by 70%, driven primarily by the significant increase in the cost of sales as explained above with a partial offset from the higher average net realized silver price per oz.
- General and administrative expenses** increased by 33% in Q3-2024 compared with Q3-2023. The Corporation now has multiple projects in Morocco and one in Mauritania and, as such, G&A expenses increased to manage these projects. In addition, in view of its growth, the Corporation has increased the headcount at its head office in Montreal.
- Share-based payments** are the cost of Restricted Share Units ("RSU"), Deferred Share Units ("DSU") and Stock Options ("Options") over the vesting period that the Corporation awarded to certain employees, directors, and officers, resulting in a non-cash expense of \$2,667 in Q3-2024. The 225% increase in costs is mainly due to Options granted in the quarter, and a larger group of employees entitled to RSU grants.
- Net finance income (expense)** increased by 434% in Q3-2024 compared to Q3-2023 due to a foreign exchange gain of \$3,584 in Q3-2024 compared to a foreign exchange loss of \$2,295 in Q3-2023. The gain in Q3-2024 is mostly due to a 3% appreciation of the MAD against the USD on advances made to Moroccan subsidiaries and by the revaluation of the EBRD loan in functional currency which generated a \$5 million gain in Q3-2024. It has been partially offset by an appreciation of 1% of the CAD against the USD which generated a \$2 million loss. In addition, there was an increase in the interest income in Q3-2024 which amounted to \$1,067 compared to \$744 in Q3-2023, due to a higher cash balance on accounts.

⁹ Non-GAAP Measures, refer to page 25.

¹⁰ Non-GAAP Measures, refer to page 25.

7. **Income tax expense** in Q3-2024 increased by 73% compared with Q3-2023, due to an increase in the net taxable income of our Moroccan operating entity combined with an increase in the tax rate of 3.75% in 2024. The increase is mostly due to a taxable foreign exchange gain (see point 6) and an increase of \$304 in withholding taxes on interest in Morocco in Q3-2024, which was partially offset by a decrease in operating results from the Zgounder Mine.
8. **Net (loss) income** of \$(263) (diluted EPS of \$(0.00)) was recorded in Q3-2024 compared to net income of \$1,206 (diluted EPS of \$0.01 in Q3-2023).

Nine-month period ended September 30, 2024, compared to the nine-month period ended September 30, 2023.

1. **Revenues from silver sales** totaled \$29,780 in YTD-2024 compared to \$31,779 in YTD-2023, representing a 6% decrease. The decrease is largely due to the volume of silver sold which decreased by 23% to 1,164,194 oz in YTD-2024 compared with 1,504,709 oz in YTD-2023. Year to date, the average grade processed at Zgounder was 176 g/t compared to 254 g/t over the same period last year, a decrease of 31%. Grade impacts mill recovery which decreased by 3.7% compared to YTD-2023. The decrease in sales volume was partially offset by the average net realized silver price per oz sold which increased by 21% to \$25.58 in YTD-2024 compared to \$21.12 in YTD-2023.
2. **Cost of sales** increased by 9% in YTD-2024 compared to YTD-2023 due to processing 14% more tonnes than the previous period, raising the cash cost per oz sold to \$20.30 in YTD-2024 compared to \$12.10 in YTD-2023.¹¹ This is largely due to an increase in operational costs associated with preparation for the expansion, mine ramp-up and health and safety activities. Underground mine costs increased following a change of contractor to catch up on the installation of retaining bolts and screens. In aggregate, these additional costs totaled approximately \$1.4 million. The additional costs represented \$1.23/oz sold. Without these additional costs, cash cost per ounce sold would have been \$19.07/oz YTD-2024.¹² Cost of sales were partially offset by the decrease in depreciation expense since the estimation of useful lives of certain assets increased at the end of 2023.
3. **Gross profit** decreased by 35% in YTD-2024 than in YTD-2023 since the higher costs of ounces sold due to lower average grade processed and lower combined mill recovery offset by the average net realized silver price per oz sold increased by 21%.
4. **General and administrative expenses** increased, by 28%, in large part because of the increase in personnel as the Corporation continues to build out operations, exploration and development teams. The Corporation now has multiple projects in Morocco and one in Mauritania and, as such, G&A expenses have increased to manage these projects. In addition, in view of its growth, the Corporation has increased the workforce at its head office in Montreal.
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 \$4,864 in YTD-2024. The Corporation awarded 450,006 RSUs, 98,742 DSUs and 5,000,000 Options during the year as part of its equity incentive programs to employees and directors.
6. **Net finance income** increased in YTD-2024 compared with YTD-2023 mainly due to recognition of a foreign exchange gain of \$8,081 in YTD-2024 compared to a foreign exchange loss of \$686 in YTD-2023. These gains are due to the 2% appreciation of the USD against the Canadian dollar mainly on advances made in USD to Moroccan subsidiaries which generated a \$1 million gain in YTD-2024 while the MAD appreciated by 2% against the USD during YTD-2024 creating a \$6.5 million gain. In addition, there was an increase in interest income in YTD-2024, which amounted to \$3,294 compared to \$1,908 in YTD-2023, due to a higher cash balance on accounts.
7. **Income tax expense** in YTD-2024 decreased by 3% compared with YTD-2023 due to a decrease in the taxable income of our Moroccan operating entity and an increase of \$864 in withholding taxes on interest on advances in Morocco in YTD-2024.
8. As a result of the foregoing, a **net income** of \$3,959 (diluted EPS of 0.03) was recorded in YTD-2024 compared to a net income of \$1,742 (diluted EPS of \$0.01) in YTD-2023.

¹¹ Non-GAAP Measures, refer to page 25.

¹² Non-GAAP Measures, refer to page 25.

Summary of Quarterly Results

Selected quarterly information

Quarter ended	Revenues	Net Income (Loss)	Net Income (Loss) per share (diluted)
	\$	\$	\$
September 30, 2024	11,024	(263)	(0.00)
June 30, 2024	13,678	6,813	0.05
March 31, 2024	5,077	(2,592)	(0.02)
December 31, 2023	11,070	3,590	0.03
September 30, 2023	11,714	1,206	0.01
June 30, 2023	9,621	(525)	(0.00)
March 31, 2023	10,443	1,060	0.01
December 31, 2022	13,322	1,963	0.02

Revenues in Q3-2024 were \$11,024 compared to \$13,678 in Q2-2024. The Corporation sold 403,957 oz compared to 521,971 oz of silver in Q2-2024. The 23% reduction in oz sold is mainly explained by the average grade processed that came in lower at 161 g/t compared to 196 g/t in Q2-2024, partially offset by higher average selling prices. In addition, the cost of sales increased in proportion to the oz sold due to an increase in operational costs associated with preparation for the expansion, mine ramp-up and health and safety activities that have accelerated in Q3-2024 since the new Zgounder plant is almost completed. These additional costs will represent a smaller portion of revenues once additional production from the new plant occurs.

Revenues in Q2-2024 were \$13,678 compared to \$5,077 in Q1-2024. The Corporation sold 521,971 oz of silver in Q2-2024 compared to 238,266 oz of silver in Q1-2024 since 157,457 oz of silver concentrate was held in inventory and was sold at a higher price in Q2-2024. The average grade processed came in higher at 196 g/t in Q2-2024 compared to 173 g/t in Q1-2024, resulting in a net income of \$6,813 compared to a net loss of (\$2,592) in Q1-2024.

Revenues in Q1-2024 were \$5,077 compared to \$11,070 in Q4-2023. The Corporation sold 238,266 oz of silver in Q1-2024 compared to 507,635 oz of silver in Q4-2023. The average grade processed came in lower at 173 g/t in Q1-2024 compared to 239 g/t in Q4-2023. The Corporation increased its inventory of silver in concentrate by \$1,830 in Q1-2024, affecting sales negatively during the quarter since fewer ounces were sold. As a result of lower revenues and higher G&A expenses, the Corporation recorded a loss of (\$2,592) in Q1-2024 compared to \$3,590 in Q4-2023.

The net income in Q4-2023 increased by 198% from Q3-2023 due to a net finance expense of \$1,385 in Q3-2023 compared to a net finance income of \$2,885 in Q4-2023 and the recognition of a deferred tax asset of \$1,765 in Q4-2023 compared to \$(138) in Q4-2022. The increase has been partially offset by the increase in cash cost per silver ounce sold¹³ which went from \$10.73 in Q3-2023 to \$13.69 in Q4-2023.

Revenues in Q3-2023 increased by 24% from Q2-2023 mainly due to the increase in sales volume in Q3-2023 to 543,983 oz compared with 439,080 oz in Q2-2023, resulting in a net profit of \$1,206 compared to a net loss of \$(525) in Q2-2023.

Revenues in Q2-2023 decreased by 8% from Q1-2023 mainly due to the decrease in sales volume in Q2-2023 to 452,523 oz compared with 508,204 oz in Q1-2023, resulting in a net loss of \$525 compared to a net profit of \$1,061 in Q1-2023.

Revenues in Q1-2023 decreased by 22% from Q4-2022 due to a 24% decrease in the sales volume to total 508,204 oz sold in Q1-2023, compared to 669,506 oz sold in Q4-2022. The net profit was negatively affected by the cash cost¹⁴ per silver ounce sold that went from \$10.94 in Q4-2022 to \$14.56 in Q1-2023. This increase in cash cost was partially offset by the average net realized silver price per ounce that went from \$19.90 in Q4-2022 to \$20.55 in Q1-2023, resulting in a net profit of \$1,060 in Q1-2023 compared to \$1,963 in Q4-2022.

Revenues in Q4-2022 increased by 85% from Q3-2022 due to a 56% increase in the volume of sales to a total of 669,506 oz sold in Q4-2022, compared to 419,760 oz sold in Q3-2022.

¹³ Non-GAAP Measures, refer to page 25.

¹⁴ Non-GAAP Measures, refer to page 25.

Liquidity and Capital Resources

As at September 30, 2024, the Corporation had working capital of \$52,180 compared to \$33,704 as at December 31, 2023¹⁵ including cash and cash equivalents of \$54,836 (\$49,830 on December 31, 2023). The Corporation has sufficient liquidity to finance its operations for at least the next 12 months. Although the Corporation used \$10,974 in operating cash flow in YTD-2024, principally from the Zgounder operation, the Corporation anticipates generating cash flow from the Zgounder mine in 2025. The Corporation principal sources of financing in the past have been equity and debt financing. The success of equity and debt financing is dependent on capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration, development, expansion activities and be able to support its ongoing operations the Corporation may be required to raise further equity financing or debt in the capital markets.

The following table summarizes the corporation's cash flow activity during the three and nine-month periods ended September 30, 2024 and 2023:

Cash Flow	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Operating cash flows before working capital	(332)	5,675	2,456	10,337
Change in non-cash operating working capital	(5,717)	2,049	(13,430)	5,177
Net cash flow (used in) from operating activities	(6,049)	7,724	(10,974)	15,514
Net cash flow used in investing activities	(21,677)	(51,031)	(71,538)	(112,909)
Net cash flow (used in) from financing activities	(3,631)	45,640	88,867	108,836
Effect of exchange rate changes on cash in foreign currencies	1,047	(1,291)	(1,349)	(191)
Net increase in cash and cash equivalents	(30,310)	1,042	5,006	11,250
Cash and cash equivalents, beginning of the period	85,146	49,568	49,830	39,360
Cash and cash equivalents, end of period	54,836	50,610	54,836	50,610

Operating

During the three-month period ended September 30, 2024, the Corporation used operating cash flows of \$332 before working capital items, compared to generated cash flows of \$5,675 for the same period last year. See section Overview of Financial Performance.

The operating cash flow in Q3-2024 was negatively impacted by \$5,717 in working capital items, mainly due to higher inventories, sales taxes receivable and accounts receivables. The increase was partially offset by additional accounts payable and accrued liabilities in Q3-2024.

During the nine-month period ended September 30, 2024, the Corporation's generated operating cash flow before working capital items of \$2,456, compared to \$10,337 for the same prior-year period. The decrease was driven by higher operating loss in YTD-2024 compared to YTD-2023, See section Overview of Financial Performance.

The operating cash flow in YTD-2024 was negatively impacted by \$13,430 in working capital items, mainly due to an increase in accounts receivable, inventories, income tax receivable, prepaid expenses and security deposits, a decrease in income tax payable and accounts payable and accrued liabilities, which were partially offset by a decrease in sales tax receivables and an increase in accounts payable and accrued liabilities.

Investing

During the three-month period ended September 30, 2024, the Corporation used \$21,677 in investing activities compared to \$51,031 in Q3-2023. The decrease in due to lower capital expenditures as we are nearing the end of the expansion, with \$9,911 spent in Q3-2024 primarily for the Zgounder expansion, compared to \$28,609 in Q3-2023. This reflects the current stage of the Zgounder expansion compared to last year as the project is 99% complete at quarter end. Exploration and evaluation assets, mainly for the Boumadine, Zgounder and Zgounder Regional projects, were \$11,583 in Q3-2024 compared to \$4,422 in Q3-2023, in line with the planned budget for exploration.

¹⁵ Non-GAAP Measures, consisting of current assets of \$101,429 less current liabilities of \$49,249 (December 31, 2023, current assets of \$80,399 less current liabilities of 46,695).

During the nine-month period ended September 30, 2024, the Corporation used \$71,538 in investing activities compared to \$112,909 in the same prior-year period. The decrease is related to the acquisition of property plant and equipment and deposits to supplier for capital expenditures, both of which relate to the Zgounder expansion for \$48,197 in YTD-2024 compared to \$79,871 in YTD-2023. An investment of \$25,581 was made in exploration and evaluation assets for the various exploration assets of the Corporation in YTD-2024 compared to \$14,238 in YTD-2023. \$2.2 million in restricted cash which served as collateral for a foreign exchange line of credit was released in YTD-2024 and \$18,000 of cash has been restricted cash to securitize the EBRD loan.

Financing

During the three-month period ended September 30, 2024:

- The Corporation drew down \$nil from the EBRD loan compared to \$35,000 for the same prior-year period. The proceeds have been solely used for the Zgounder expansion. No deferred financing costs were paid in Q3-2024 compared to \$507 in Q3-2023.
- Options were exercised for proceeds totaling \$775, compared to \$1,051 for the same period in 2023 and no warrants were exercised in Q3-2024 compared to \$10,288 in Q3-2023.
- Payments related to long-term debt of \$4,336 were made in Q3-2024 compared to \$nil in Q3-2023.
- Lease liabilities payments between Q3-2024 and Q3-2023 were at a comparable level.

During the nine-month period ended September 30, 2024:

- The Corporation drew down \$40,000 from the EBRD loan compared to \$35,000 for the same prior-year period. The drawdowns have been solely used for the Zgounder expansion and the Corporation paid \$nil in financing costs in relation to the EBRD loan in YTD-2024 compared to \$3,911 in YTD-2023.
- Options were exercised for proceeds totaling \$1,662 compared to \$2,124 for the same period in 2023 and no warrants were exercised in YTD-2024 compared to \$11,276 in YTD-2023.
- Payments related to long-term debt of \$6,526 were made in YTD-2024 compared to \$nil in YTD-2023.
- The Corporation closed an equity financing and issued 7,573,900 common shares of the Corporation at C\$10.25 per common share for net proceeds of \$53,981 compared to an equity financing of 11,151,550 common shares of the Corporation at C\$8.25 per common share for net proceeds of \$64,569 in YTD-2023.
- Lease liabilities payments between YTD-2024 and YTD-2023 were at a comparable level.

Use of Proceeds

February 14, 2024 Financing

On February 14, 2024, the Corporation closed a bought deal public financing and issued 7,573,900 common shares in the capital of the Corporation at a price of C\$10.25 per share for gross proceeds of approximately C\$77.6 million (\$57.3 million). The Offering was completed by way of a prospectus supplement filed on February 8, 2024 in each Canadian province, to the short form base shelf prospectus dated January 12, 2023 for up to an aggregate initial offering of C\$200 million at any time during the 25-month effective period of the prospectus.

Below is an update, in tabular form, reflecting the use of the funds as of September 30, 2024 compared to the budgeted amounts initially set out in the prospectus:

Principal use	Earmarked usage	Actual usage
	\$ (million)	\$ (million)
Boumadine exploration and development	36.90	18.1
Zgounder regional and other projects	4.40	3.4
General corporate purposes ¹⁶	16.00	7.3
Total	57.30	28.7

¹⁶ Includes \$3.2 million in share issue costs related to the February 14, 2024 C\$77.6 million financing.

Financing Sources

Financing sources for amounts received during the last 8 quarters				
Date	Type	Financings	Gross Amounts (\$)	General description of the use of proceeds
Feb 14, 2024	Short Form Prospectus	Common shares	57,297	The net proceeds of the financing after financing costs are being used for the exploration and development of Boumadine, for Zgounder Regional exploration programs and for general corporation purposes (see Use of Proceeds section for a reconciliation of the usage).
Jan 25, 2023	Short Form Prospectus	Common shares	68,765	The net proceeds of the financing after financing costs were used for the expansion of the Zgounder Mine, for advancement of its exploration programs at Zgounder, Zgounder Regional and Boumadine; and for general corporation purposes.
From Jan 13, 2023 to Sept. 2, 2023	Warrants	Common shares	11,276	The net proceeds from the exercise of warrants were used for the expansion of the Zgounder Mine, for advancement of other properties and for general corporation purposes.
From Oct 13, 2022 to Jun 20, 2024	Options exercised	Common shares	3,931	The net proceeds from the exercise of options were used to fund general administrative expenses, investing activities and other working capital needs.

Financial Position

The following table details the changes to the statements of financial position as at September 30, 2024 compared to December 31, 2023:

	As at September 30, 2024	As at December 31, 2023	Variance
Cash and cash equivalents	54,836	49,830	10%
Accounts receivable	6,487	607	969%
Sales taxes receivable	9,830	10,806	(9)%
Income tax receivable	1,389	—	NM
Inventories	26,165	16,810	56%
Prepaid expenses and security deposits	2,722	2,346	16%
Total current assets	101,429	80,399	26%
Restricted cash	18,258	20,503	(11)%
Deferred financing fees	—	1,888	NM
Non-refundable deposits to suppliers	1,472	8,136	(82)%
Deferred income tax	630	617	2%
Property, plant, and equipment	227,699	161,502	41%
Exploration and evaluation assets	85,876	60,012	43%
Total assets	435,364	333,057	31%
Total current liabilities	49,249	46,695	5%
Lease liabilities	799	887	(10)%
Long-term debt	96,568	57,672	67%
Asset retirement obligations	3,016	2,667	13%
Total liabilities	149,632	107,921	39%
Total equity	285,732	225,136	27%
Total liabilities and equity	435,364	333,057	31%

*NM: Not Meaningful

Assets

The change in the Corporation's cash and cash equivalents balance on September 30, 2024 compared to the amount held on December 31, 2023, is detailed in the section Liquidity and Capital Resources.

The increase in accounts receivable of \$5,880 between December 31, 2023, and September 30, 2024, is mainly due to three large lots of silver concentrate that were sold at the end of Q3-2024. The cash was received at the beginning of Q4-2024.

The decrease in sales taxes receivable as at September 30, 2024 compared to December 31, 2023 of \$976 is related to reimbursements of over \$6 million received during YTD-2024 partially offset by the increase of roughly \$5 million mainly related to the Zgounder expansion. The Corporation's sales tax receivable collection cycle has been reduced significantly in 2024.

Higher inventories of ore stockpile are needed at the Zgounder Mine to prepare for its ramp-up from a daily production of 700 tpd to 2,700 tpd which is scheduled for Q4-2024. The current stockpile inventory of 347,560 tonnes will not increase significantly in Q4-2024 and will stabilize in Q1-2025 to maintain a security stock of 3-6 months of production.

The increase of \$1,389 in income tax receivables is related to installments done in YTD-2024 calculated based on last year's taxable income.

The change in non-current assets balance on September 30, 2024 compared to the amount held on December 31, 2023, is detailed in the Liquidity and Capital Resources section.

Liabilities and Equity

The current liabilities increased by 5% between YTD-2024 and the year ended December 31, 2023, mainly related to an increase of \$5,652 in accounts payable and accrued liabilities due to the Zgounder expansion and the increased exploration expenses at Boumadine. It was partially offset by the reduction of \$3,058 in income tax payable.

The lease liabilities and the balance of purchase payable stayed at comparable levels between Q3-2024 and December 31, 2023.

The increase in asset retirement obligation is mainly due to the expansion of the Zgounder Mine and its anticipated reclamation costs at the end of the mine life.

The increase of \$38,896 in external debt is related to the EBRD loan (See Note 7 of the FS).

The change in total equity is mainly attributable to net income during the period ended YTD-2024 and the financing of C\$77.6 million (\$57.3 million) completed in February 2024 (See February 2024 Corporate Financing). In addition, 511,950 stock options with an average strike price of C\$4.43 were exercised and 122,768 RSUs were settled at an average price of C\$8.22 during YTD-2024.

Capital Management

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

1. Ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions;
2. Ensure the externally imposed capital requirements relating to debt obligations are being met;
3. Increase the value of the Corporation's assets; and
4. 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. As at September 30, 2024 managed capital is \$377,999 (\$278,393 December 31, 2023) representing external debt and total equity before non-controlling interest. To facilitate the management of its capital requirements, the Corporation prepares long-term cash flow projections that consider various factors, including successful capital deployment, general industry conditions and economic factors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

	As at September 30, 2024	As at December 31, 2023
Long-term debt	96,568	57,672
Equity	281,431	220,721
	377,999	278,393

Commitments and Contingency

The following are the contractual maturities of the Corporation's liabilities segmented by period and the future minimum payments of the commitments, as at September 30, 2024:

	0-12 months	12-24 months	More than 24 months	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	47,395	—	—	47,395
Long-term debt	—	28,571	71,429	100,000
Balance of purchase price payable	1,555	—	—	1,555
Lease liabilities, including future interest	307	284	605	1,196
	49,257	28,855	72,034	150,146

Engineering Procurement and Construction Contract

On November 30, 2022, the Corporation's subsidiary, Zgounder Millennium Silver Mining SA, entered into the EPC agreement with Duro Felguera S.A. ("DF") to construct a 2,000 tpd process plant at Zgounder. The EPC agreement has fixed price components of EUR 32.6 million, \$19.6 million and MAD 265 million. As at September 30, 2024, the Corporation recorded \$79 million in relation to DF agreement (December 31, 2023 - \$61 million) which was recorded as assets under construction.

As at September 30, 2024, the Corporation has committed to incur approximately \$0.5 million, for costs related to assets under construction. In addition, the Corporation has made approximately \$1 million of deposits to suppliers in connection with the expansion of the Zgounder Silver Mine, including approximately \$0.3 million to DF (see Note 5 of the FS).

Royalties

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

- 3.0% royalty to ONHYM on revenue from the Zgounder property or \$331 and \$890 for the three and nine-month periods ended September 30, 2024 respectively (\$343 and \$953 for the three and nine-month periods ended September 30, 2023 respectively);
- 3.0% royalty to ONHYM on revenue from the Boumadine property;
- 2.5% Net Smelter Royalty ("NSR") to Société d'Exploration Géologique des Métaux ("SEGM") on the Amizmiz property and on an 8 km radius area of interest; and
- 2.5% royalty to Ouiselat Mines on revenue from the Azegour property.

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 estimation of 1,000,000 ounces of gold;
- \$2,000,000 to ANARPAM at the commencement of production; and
- \$4,200,000 in the form of a non-demand, interest-free advance reimbursable only when the Corporation's Tijirit project generates revenues and would be reimbursed by paying Wafa Mining & Petroleum SA a 10% pro-rata share of the funds that might be available from Tirez's future cashflows.

In addition, the Corporation is committed to pay the following royalties and annual payments for the Tijirit project:

- Between 4.0%-6.5% royalties to the government of Mauritania depending on the price of gold. For production above 50,000 ounces, an additional 0.25% royalty, on top of the above-mentioned royalties, for every additional 100,000 ounces;
- 1.5% NSR to Osisko Gold Royalties which is 50% purchasable by the Corporation; and
- \$100,000 to ANARPAM on production of up to 30,000 ounces of gold and an additional \$1 per ounce produced on production between 30,001 - 300,000 ounces of gold.

No amounts have been paid as of September 30, 2024.

Non-GAAP Measures

The Corporation 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. These indicators are commonly used as measures 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 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 were 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, the different groupings used in the presentation on non-GAAP measures, other mining companies may calculate cash costs in a variety of ways. In accordance with the financial statements, the following table reconciles cash costs and cash costs per ounce sold on an attributable basis to cost of sales.

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
Zgounder Silver Mine – Morocco	2024	2023	2024	2023
Cost of sales ¹⁷	9,146	5,531	22,652	20,766
Depreciation	(495)	(476)	(1,294)	(4,824)
Cost of sales, excluding depreciation	8,651	5,055	21,358	15,942
Add:				
Treatment, smelting and refining costs ¹⁸	828	782	2,274	2,264
Adjusted operating cash costs (A)	9,479	5,837	23,632	18,206
Silver ounces sold (B)	403,957	543,983	1,164,194	1,504,709
Cash cost per silver ounce sold (A/B)	23.47	10.73	20.30	12.10

In Q3-2024 additional operational costs for expansion preparations, mine ramp-up, health and safety activities and the two-month delay in the expansion of the Zgounder Mine. Underground mining costs also increased in the quarter as we used our mining contractor to increase the rate of stope development and catch up on bolting and screening. In aggregate these additional costs totaled approximately \$1.4 million. The additional costs represented \$3.53 per oz sold in Q3-2024 and \$1.23 per oz sold YTD-2024. Without these costs, the cash cost per ounce sold would have been \$19.93 in Q3-2024 and \$19.07 in YTD-2024.

Available Liquidity

Available liquidity is a new non-IFRS measure used by Management to prudently monitor its cash. Available liquidity is comprised of cash and cash equivalents and undrawn amounts under available credit facilities. The Corporation uses available liquidity to measure the liquidity required to satisfy its lenders, fund capital expenditures and support operations. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

	As at September 30, 2024	As at December 31, 2023
Cash and cash equivalents	54,836	49,830
Undrawn amount under long-term debt	—	40,000
Available liquidity	54,836	89,830

¹⁷ As per note 12 of the FS for the total cost of sales.

¹⁸ As per note 11 of the FS for treatment, smelting and refining costs reported as net of sales.

Risks and Uncertainties

An investment in securities of the Corporation is highly speculative and involves significant risks. If any of the events contemplated in the risk factors described below actually occurs, the Corporation's business may be materially and adversely affected, and its financial condition and results of operation may suffer significantly. In that event, the trading price of its common share could decline, and purchasers of common shares may lose all or part of their investment. The risks described herein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. Current holders and prospective buyers of the common shares of the Corporation should give careful consideration to all information contained or incorporated by reference in this MD&A and, in particular, the following risk factors. See "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2023, for risk factors affecting the Corporation generally.

Financial Instruments and Risk Management

Disclosure and description of the Corporation's capital management, financial risk management and financial instruments in notes 14, 15 and 16 of the FS for the quarter ended September 30, 2024, contain the risk factors associated with the Corporation.

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	C\$
July 1, 2030	4,141,484	1.43
March 3, 2031	359,667	4.75
May 12, 2031	88,300	7.69
August 23, 2034	5,000,000	15.63
	9,589,451	

Outstanding Share Data

	Number of shares outstanding (diluted)
Outstanding as of November 13, 2024	130,637,467
Shares reserved for issuance pursuant to share purchase options	9,589,451
Shares reserved for issuance pursuant to deferred share units	427,254
Shares reserved for issuance pursuant to restricted share units	1,255,973
	141,910,145

Off-Balance Sheet Arrangements

As at September 30, 2024 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 commitments, contingent liabilities and interest, as disclosed in this MD&A and the FS.

Related Party Disclosures

During the three and nine-month periods ended September 30, 2024 and the year ended December 31, 2023, the following related party transactions occurred in the normal course of operations:

- Management and consulting fees to Groupe Conseils Grou, La Salle Inc., a company owned by the President and Chief Executive Officer of \$234 and \$703 for the three and nine-month periods ended September 30, 2024 (\$187 and \$565 for the three and nine-month periods ended September 30, 2023 respectively). As at September 30, 2024, \$370 (December 31, 2023 - \$412) was due to that company;
- Management and consulting fees to SRG Guinee S.A.R.L., a wholly owned subsidiary of Falcon Energy Materials plc, a public company of which the Corporation's Chief Executive Officer is also the Director and Executive Chairman of the Board, of \$13 and \$45 for the three and nine-month periods ended September 30, 2024 (\$10 and \$32 for the three and nine-month periods ended September 30, 2023, respectively). There were no outstanding balances payable as at September 30, 2024 and December 31, 2023.

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 nine-month periods ended September 30, 2024 and 2023, the remuneration awarded to key management personnel (including the amounts above) was as follows:

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2024	2023	2024	2023
	\$	\$	\$	\$
Salaries and benefits	320	184	981	562
Management consulting and professional fees	324	259	972	782
Share based payments	1,550	617	3,142	1,712
	2,194	1,060	5,095	3,056

Accounting Policies, Judgments and Estimates

Critical Accounting Judgments and Estimates

The preparation of unaudited 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 year. 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 FS for the three and nine-month periods ended September 30, 2024 and 2023, the Corporation applied the critical judgments and estimates disclosed in note 4 of its audited consolidated financial statements for the year ended December 31, 2023.

Proposed Transaction

On September 12, 2024, the Corporation announced a non-binding term sheet for the spinout of its Amizmiz Gold Project in Morocco and an exclusive option on its Tijrit Project in Mauritania to Mx2 Mining, a new North Africa-focused gold company. Aya will transfer its rights to the Amizmiz Property to Mx2 and is expected to own approximately 42% of Mx2, becoming its largest shareholder. The transaction requires confirmatory due diligence and standard closing conditions.

On October 1, 2024 Mx2 has announced a C\$15 million brokered equity financing for exploration and working capital, with funds available upon closing of the transaction scheduled for late Q4-2024. Aya plans to invest C\$1 million in Mx2's financing.

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, 2023 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, 2023 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, 2023 evaluation, there have been no material changes to the Corporation's disclosure controls and procedures.

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 effectiveness of

ICFR and based on that evaluation, the Certifying Officers have concluded that the Corporation's ICFR was effective as at December 31, 2023. 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 Corporation's ICFR for the quarter ended September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

Limitations of Control and Procedures

The Corporation's management, including the CEO and the CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

The Corporation's management makes judgments in its process of applying the Corporation's accounting policies in the preparation of its unaudited interim condensed consolidated financial statements. In addition, the preparation of financial data requires that the Corporation's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Corporation's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Corporation's assets and liabilities are accounted for prospectively. The critical judgments, estimates and assumptions applied in the preparation of these FS were the same as those described in note 4 of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2023.

Cautionary Note Regarding Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A including, but not limited to, any information as to the future financial or operating performance of the Corporation, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements contained in this MD&A, include, but are not limited to, those under the headings "Development and Exploration", "Operating Results", "2024 Revised Guidance and Outlook", and "Liquidity and Capital Resources" amongst others include, without limitation, statements with respect to our guidance for production, cost guidance, including production costs of sales, all-in sustaining cost of sales, and capital expenditures; statements with respect to timelines of certain events and plans including timelines related to commissioning, the first ore in mill, silver pour at the new Zgounder plant, timing of mechanical completion and commissioning of the new 1,925-level ventilation raise and upper-level ore chutes by year-end, commissioning of the new assay laboratory, the ramp-up to commercial production, statements with respect recoveries, average grades mined or processed, exploration budgets; identification of additional resources and reserves or the conversion of resources to reserves; the Corporation's liquidity and access to cash; ESG objectives; greenhouse gas reduction initiatives and targets; the implementation and effectiveness of the Corporation's ESG or Climate Change strategy; forecast for the Corporation's projects including the expansion project; budgets for and future prospects for exploration, development and operation at the Corporation's operations and projects, including the Zgounder project; potential mine life extensions at the Corporation's operations; the Corporation's balance sheet and liquidity outlook, as well as references to other possible events including, the future price of silver, the timing and amount of estimated future production, costs of production, operating costs; price inflation; capital expenditures, costs and timing of the development of projects and new deposits at Zgounder or Boumadine, estimates and the realization of such estimates (such as mineral or gold reserves and resources or mine life), success of exploration, development and mining, currency fluctuations, capital requirements, project studies, government regulation, permit applications, environmental risks and proceedings, and resolution of pending litigation. The words "expect", "on track", "on target", "continue", "plan", "remain", "confirm", "guidance", "outlook", "estimate", "range", "extend", "design", "objective", "advance", "continue", "plan", "potential", or variations of or similar such words and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken, or will occur or result and similar such expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of the Corporation referenced, contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in

our MD&A for the year ended December 31, 2023, and the Annual Information Form dated March 28, 2024 as well as: (1) there being no significant disruptions affecting the operations of the Corporation, whether due to extreme weather events (including, without limitation drought, lack of rainfall) and other or related natural disasters, labour disruptions (including but not limited to strikes or workforce reductions), supply disruptions, power disruptions, damage to equipment, pit wall slides or otherwise; (2) permitting, development, operations and production from the Corporation's operations and development projects being consistent with current expectations including, without limitation: the maintenance of existing permits and approvals and the timely receipt of all permits and authorizations necessary for the operation of our assets; and the successful completion of exploration consistent with the Corporation's expectations at the Corporation's projects; (3) political and legal developments in any jurisdiction in which the Corporation operates being consistent with its current expectations including, without limitation, restrictions or penalties imposed, or actions taken, by any government, including but not limited to amendments to the mining laws in Morocco and Mauritania, potential third party legal challenges to existing permits; (4) the completion of studies, including scoping studies, preliminary economic assessments, pre-feasibility or feasibility studies, on the timelines currently expected and the results of those studies being consistent with our current expectations namely on the Boumadine project or resource updates on Zgounder; (5) the exchange rate between the Canadian dollar, the MAD, the Euro and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for silver; (7) prices for diesel, fuel oil, electricity and other key supplies being approximately consistent with the Corporation's expectations; (8) attributable production and cost of sales forecasts for the Corporation meeting expectations; (9) the accuracy of the current mineral reserve and mineral resource estimates of the Corporation's analysis thereof being consistent with expectations (including but not limited to grade, ore tonnage and ore grade estimates), future mineral resource and mineral reserve estimates being consistent with preliminary work undertaken by the Corporation, mine plans for the Corporation's current and future mining operations, and the Corporation's internal models; (10) labour and materials costs increasing on a basis consistent with our current expectations; (11) the terms and conditions of the legal and fiscal stability in Morocco being interpreted and applied in a manner consistent with their intent and our expectations; (12) asset impairment potential; (13) the regulatory and legislative regime regarding mining in Morocco being consistent with our current expectations; (14) access to capital markets; (15) potential direct or indirect operational impacts resulting from infectious diseases or pandemics; (16) changes in national and local government legislation or other government actions; (17) litigation, regulatory proceedings and audits, and the potential ramifications thereof, being concluded in a manner consistent with the Corporation's expectations, and (18) transactions announced by the Corporation, including the Mx2 spinoff advancing and closing per the Corporation's timeline and expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the inaccuracy of any of the foregoing assumptions; fluctuations in the currency markets; fluctuations in the spot and forward price of silver or certain other commodities; price inflation of goods and services; changes in the discount rates applied to calculate the present value of net future cash flows based on country-specific real weighted average cost of capital; changes in the market valuations of peer group silver producers and the Corporation, and the resulting impact on market price to net asset value multiples; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); risks arising from reliance on a single operating mine, risks arising from reliance on contractors namely one EPC provider at the Zgounder expansion project, changes in national and local government legislation, taxation (including but not limited to income tax, advance income tax, withholding tax, capital tax, tariffs, value-added or sales tax, production royalties, excise tax, customs/import or export taxes/duties, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes), controls, policies and regulations; the security of personnel and assets; political or economic developments in Morocco or Mauritania; operating or technical difficulties in connection with mining, development or refining activities; employee relations; litigation or other claims against, or regulatory investigations and/or any enforcement actions, administrative orders or sanctions in respect of the Corporation (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada, environmental litigation or regulatory proceedings or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations or any other applicable jurisdiction; the speculative nature of silver or gold exploration and development including, but not limited to, the risks of obtaining and maintaining necessary licenses and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of silver and gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, Aya's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Aya, including but not limited to resulting in an impairment charge on goodwill and/or assets. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by this cautionary statement and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in our MD&A for the year ended December 31, 2023, and the "Risk Factors" set forth in the Corporation's Annual Information Form dated March 28, 2024. These factors are not intended to represent a complete list of the factors that could affect Aya. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Additional Information and Continuous Disclosure

Additional information on the Corporation, including the Corporation's Annual Information Form and the Corporation's FS for the quarter ended September 30, 2024, is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.ayagoldsilver.com.

Technical Information

David Lalonde, B. Sc, Vice-President Exploration, designated as a Qualified Person under National Instrument 43-101 for Aya Gold and Silver has reviewed and approved the technical content of this document.