

**FORM 62-103F1**  
**EARLY WARNING REPORT**

**Item 1 -- Security and Reporting Issuer**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Securities: The report relates to units (the “**Units**”) each comprising one common share (“**Common Share**”) and one-half of a common share purchase warrant (each full warrant, a “**Warrant**”).

Issuer: Avino Silver & Gold Mines Ltd. (the “**Issuer**” or “**Avino**”)  
Suite 900-570 Granville St.  
Vancouver, British Columbia  
V6C 3P1

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable. The transaction that triggered the requirement to file this report is a private transaction.

**Item 2 -- Identity of the Acquiror**

**2.1 State the name and address of the acquiror.**

Coeur Mining, Inc. (the “**Acquiror**” or “**Coeur**”)  
104 S. Michigan Ave.  
Suite 900  
Chicago, IL, USA  
60603

The Acquiror is a Delaware corporation. The Acquiror is a precious metals producer with gold, silver, zinc, and lead mining operations in Mexico, the United States, and Canada.

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

On October 27, 2021, Avino and Coeur entered into a purchase agreement (the “**Purchase Agreement**”), pursuant to which on closing, Avino will purchase from Coeur all of the equity of Proyectos Mineros La Preciosa S.A. de C.V., a wholly owned subsidiary of Coeur, for cash and other consideration, including 14,000,000 Units of the Issuer, comprising one Common Share of the Issuer and one-half of one common share purchase Warrant of the Issuer (the “**Transaction**”).

Following closing of the Transaction, the Acquiror will hold 14,000,000 Units, each consisting of one Common Share and one half of one common share purchase Warrant,

priced at a 25% premium to the 20-day volume weighted average price prior to announcement, or US\$1.09 as of October 26, 2021. Coeur is expected to hold approximately 12% and 16% of the basic and fully diluted shares outstanding of Avino, based on Avino's stock price prior to announcement of the Transaction. The initial value of the equity consideration using the closing price of Avino from the day prior to announcement is approximately US\$14.7 million.

**2.3 State the names of any joint actors.**

N/A

**Item 3 -- Interest in Securities of the Reporting Issuer**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

The Acquiror has agreed to acquire 14,000,000 Units of the Issuer, comprising one Common Share and one-half of one common share purchase Warrant of the Issuer, which represents approximately 12% and 16% of the basic and fully diluted shares outstanding of Avino upon announcement of the Transaction. Prior to entering into the Purchase Agreement, the Acquiror held 0% of the Issuer.

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

N/A

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

N/A

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

The Acquiror did not hold any securities of the Issuer before entering into the Purchase Agreement (representing 0.0% of the issued and outstanding capital of the Issuer). After closing of the Transaction, the Acquiror will hold 14,000,000 Units of the Issuer, comprising one Common Share of the Issuer and one-half of one common share purchase Warrant representing approximately 12 and 16% of the basic and fully diluted shares outstanding of Avino on the date of announcement of the transaction.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

**(a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See section 3.1 above.

- (b) *the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and*

N/A

- (c) *the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.*

N/A

- 3.6 *If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.*

N/A

- 3.7 *If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.*

N/A

- 3.8 *If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.*

N/A

#### **Item 4 -- Consideration Paid**

- 4.1 *State the value, in Canadian dollars, of any consideration paid or received per security and in total.*

Avino entered into the Purchase Agreement to indirectly acquire through the purchase of the shares of certain holding companies, the La Preciosa Property ("La Preciosa") from Coeur. Avino agreed to pay cash consideration of US\$20 million of which US\$15 million is payable at the closing of the Transaction from Avino's cash on hand. The remaining US\$5 million is payable before the first anniversary of the closing date pursuant to a note payable in favor of Coeur on customary terms. Additionally, Avino will issue 14,000,000 Units, each comprising one Common Share and one-half of a common share purchase

Warrant. The Warrants will have an exercise price of \$1.09, representing a 25% premium to Avino's 20-day VWAP as of October 26, 2021, and will have a term of 18 months from the closing date of the Transaction. The Units will be issued on a private placement basis and will be subject to a statutory 4-month and a day hold period in Canada and entitled to registration rights in favor of Coeur. Additionally, contingent cash consideration of US\$8.75 million will be payable by Avino to Coeur within 12 months of initial production at La Preciosa. Avino may elect to pay up to half of the contingent cash consideration in Avino shares. Coeur will retain ownership of a 1.25% net smelter return royalty on the Gloria and Abundancia areas of La Preciosa, and a 2.00% gross value royalty on all areas of La Preciosa other than the Gloria and Abundancia areas. So long as Coeur holds 10% or more of the outstanding shares of Avino, Coeur has the option to nominate one director for election to the Avino board or designate a board observer. At closing, Coeur will also be granted pre-emptive rights to maintain its equity ownership position in Avino and will enter into a voting agreement with Avino.

- 4.2** *In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.*

See section 4.1 above.

- 4.3** *If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.*

See section 4.1 above.

## **Item 5 -- Purpose of the Transaction**

*State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:*

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;*
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;*
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;*
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;*

- (e) *a material change in the present capitalization or dividend policy of the reporting issuer;*
- (f) *a material change in the reporting issuer's business or corporate structure;*
- (g) *a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;*
- (h) *a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;*
- (i) *the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;*
- (j) *a solicitation of proxies from securityholders;*
- (k) *an action similar to any of those enumerated above.*

Going forward, the Acquiror may acquire or dispose of Common Shares or other securities of the Issuer, either on the open market or in private transactions, depending on a number of factors. While no present plans currently exist that would result in any of the actions described in items (a) through (k) above, the Acquiror may consider or develop plans and/or make proposals with respect to potential transactions involving the Issuer's shares.

#### **Item 6 -- Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer**

*Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.*

See Item 4.1 above.

#### **Item 7 -- Change in material fact**

*If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.*

N/A

**Item 8 -- Exemption**

*If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.*

N/A

**Item 9 -- Certification**

*The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent's best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.*

*This report must be signed by each person on whose behalf the report is filed or his authorized representative.*

*It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.*

**Certificate**

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

November 1, 2021 \_\_\_\_\_

Date

“Thomas S. Whelan” \_\_\_\_\_

Signature

Thomas S. Whelan, SVP & CFO \_\_\_\_\_

Name/Title