MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three and six-month periods ended June 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 August 13, 2024, covers the three and six-month periods ended June 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 six-month periods ended June 30, 2024 and the audited consolidated financial statements and related notes for the year ended December 31, 2023.

The Corporation's June 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.

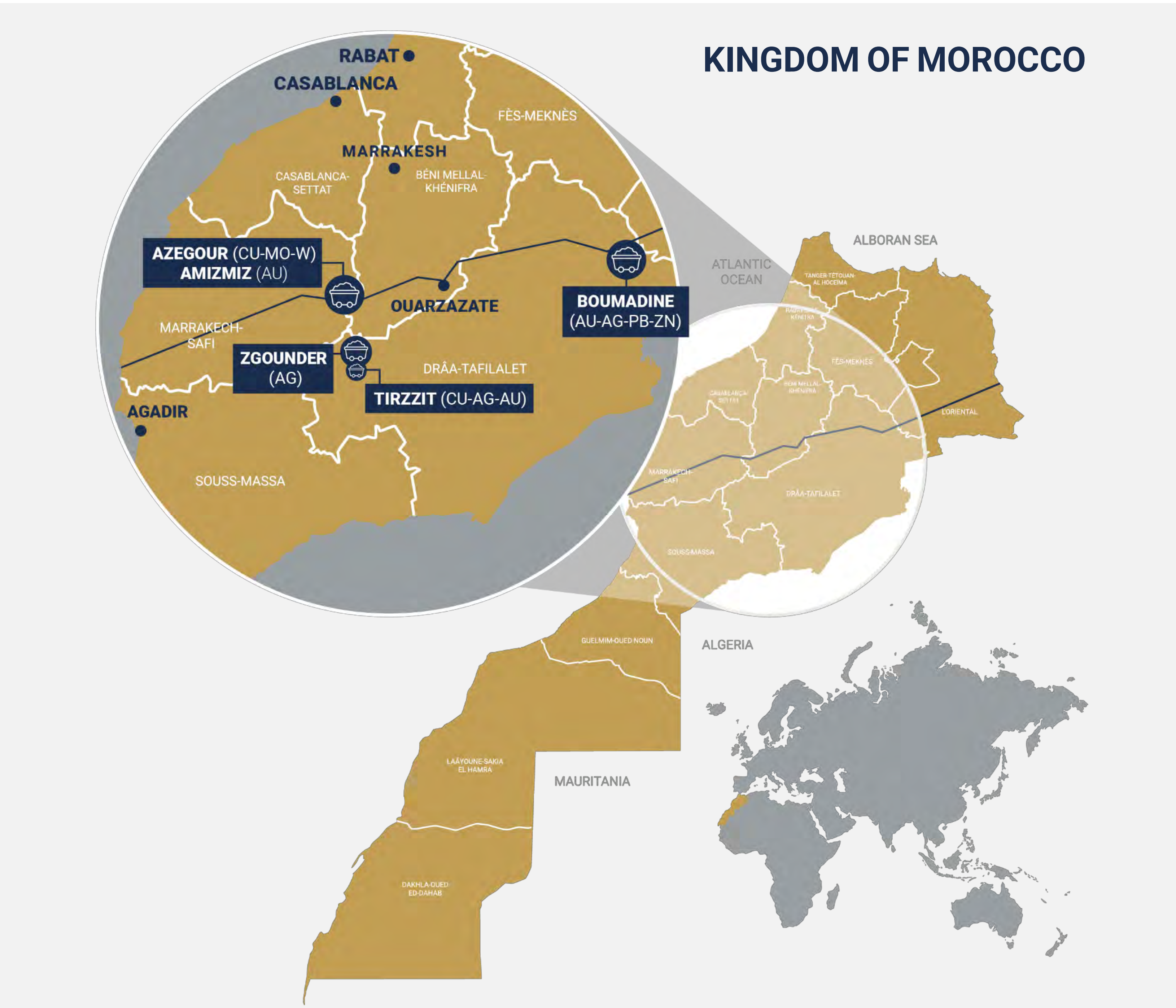
This MD&A contains forward-looking information that is subject to risk factors set out in a cautionary note in this MD&A under "Cautionary Statement Regarding Forward-Looking Information". All information contained in the FS and this MD&A has been reviewed by the Audit Committee and approved by the Corporation's Board of Directors. This MD&A is current as of August 13, 2024, unless otherwise stated.

Contents

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.

Aya was 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 130,453,321 common shares on August 13, 2024. The Zgounder Silver Mine is in operation while all other projects are at the exploration and evaluation stage.



Q2-2024 Highlights

Operational and Financial:

- Quarterly silver production of 432,667 ounces ("oz") compared to 526,703 oz in Q2-2023.
- Ore processed increased to 80,562 tonnes ("t") in Q2-2024 at a grade of 196 grams per tonne ("g/t") compared to 72,190t in Q2-2023 at a grade of 265 g/t.
- 114,025t of ore mined in the quarter at a grade of 176 g/t for an average of 1,253 tonnes per day ("tpd").
- Record revenue of $13.7 million, a 42% increase from Q2-2023.
- Cash cost per silver ounce sold of $17.85 in Q2-2024 compared to $10.98 in Q2-2023.(1)
- Robust financial position with $103.4 million of cash, cash equivalents and restricted cash as at June 30, 2024, compared to $70.3 million as at December 31, 2023.(2)
- Received the final tranche of the EBRD loan, of $15 million, for a total of $100 million received to date.
- Achieved milestones 2 and 3 of the CTF tranche of the project loan bringing interest rate cost of this tranche to 1.00% (down from 9.31% at the start of the loan).
- Aya was included in the S&P/TSX Composite Index effective prior to the opening of trading on June 24, 2024. The S&P/TSX Composite Index is the benchmark Canadian stock market index representing roughly 70% of the total market capitalization on the TSX.

Expansion, Development and Exploration:

- Expansion of Zgounder Mine reached over 95% completion, with commissioning activities underway.
- Conducted 7,920 meters ("m") of diamond drill hole ("DDH") drilling at Zgounder and doubled 2024 program to 30,000m to follow up on promising at-depth results.
- Completed 2,792m of DDH on Zgounder Regional.
- Continued development of Boumadine through 27,046m of DDH drilling and acquisition of seven permits.
- Completed electromagnetic airborne geophysics campaigns on the Boumadine and Tirzzit properties using MobileMT technology. Over 15,400-line kilometers were completed on the properties.

Environmental, Social and Governance ("ESG"):

- Provided 3,761 hours of training and induction training for commissioning of the new plant.
- Published 2023 Modern Slavery Report.
- Completed construction of the Zgounder 90km power line and began receiving energy from the grid.
- Leveraged annual World Environment Day celebrations to raise environmental awareness among both on-site workers and local schoolchildren.

(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 $85,146 and restricted cash of $18,261 (December 31, 2023, balances of $49,830 and $20,503 respectively).

Q2-2024 and H1-2024 Operational and Financial Highlights

	Three-month periods ended June 30,			Six-month periods ended June 30,		
Key Performance Metrics	**2024**	**2023**	**Variation**	**2024**	**2023**	**Variation**
Operational						
Ore Mined (tonnes)	114,025	103,231	10%	220,905	184,133	20%
Average Grade Mined (g/t Ag)	176	230	(23%)	168	227	(26%)
Ore Processed (tonnes)	80,562	72,190	12%	161,894	144,928	12%
Average Grade Processed (g/t Ag)	196	265	(26%)	184	250	(26%)
Combined Mill Recovery (%)	84.7%	87.3%	(2.6%)	83.4%	87.2%	(3.8%)
Silver Ingots Produced (oz)	130,719	202,559	(35%)	242,216	371,207	(35%)
Silver in Concentrate Produced (oz)	301,948	324,144	(7%)	556,812	630,309	(12%)
Total Silver Produced (oz)	**432,667**	**526,703**	**(18%)**	**799,028**	**1,001,516**	**(20%)**
Silver Ingots Sold (oz)	121,121	164,707	(26%)	229,725	314,622	(27%)
Silver in Concentrate Sold (oz)	400,850	287,816	39%	530,512	646,105	(18%)
Total Silver Sales (oz)	**521,971**	**452,523**	**15%**	**760,237**	**960,727**	**(21%)**
Avg. Net Realized Silver ($/oz)	26.20	21.26	23%	24.67	20.89	18%
Cash Costs per Silver Ounce Sold [3]	17.85	10.98	63%	18.62	12.87	45%
Financial						
Revenue from Silver Sales	13,678	9,621	42%	18,756	20,065	(7%)
Cost of Sales	8,765	6,876	27%	13,507	15,236	(11%)
Gross Profit	4,913	2,745	79%	5,249	4,829	9%
Operating Income (Loss)	1,652	(36)	4,689%	(1,216)	(120)	913%
Net Income (Loss)	6,813	(525)	1,398%	4,222	536	688%
Operating Cash Flows	5,307	3,674	44%	(4,928)	7,738	(164%)
Cash and Restricted Cash [4]	103,407	52,110	98%	103,407	52,110	98%
Total Assets	424,926	245,218	73%	424,926	245,218	73%
Total Non-Current Financial Liabilities	100,117	2,681	3,634%	100,117	2,681	3,634%
Shareholders						
Earnings per Share – basic	0.05	(0.00)	NM	0.03	0.00	NM
Earnings per Share – diluted	0.05	(0.00)	NM	0.03	0.00	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, consisting of cash and cash equivalents $85,146 and restricted cash of $18,261 (June 30, 2023, balances of $49,568 and $2,542 respectively).

Q2-2024 Operational Highlights:

- Quarterly silver production of 432,667 oz, comprising 301,948 oz as silver concentrate and 130,719 oz as silver ingots.
- Mill average feed grade of 196 g/t Ag was recorded in Q2-2024 compared to 265 g/t Ag in Q2-2023, a decrease of 26%.
- Milling operations reached 885 tpd, continuing to surpass design capacity of 700 tpd.
- Average combined mill recovery of 84.7% in Q2-2024 compared to 87.3% in Q2-2023, a decrease of 2.6%.
- Plant availabilities reached 96.3% and 94.6% for the flotation and cyanidation plants, respectively.
- 114,025t of ore were mined in Q2-2024 for an average of 1,253 tpd mined compared to 103,231 tonnes (1,134 tpd) in Q2-2023. Mining ramp-up is on schedule as per plan.
- A total of 7,920m of drilling was completed at Zgounder, 2,792m on Zgounder Regional permits, and 27,046m at Boumadine.
- Cost of sales of $8,765 (Q2-2023 – $6,876) with an average cash cost(5) per oz of $17.85 in Q2-2024 compared to $10.98/oz in Q2-2023.

Q2-2024 Financial Highlights:

- Revenue from silver sales totaled $13,678 in Q2-2024 (Q2-2023 – $9,621), an increase of 42% representing an average realized price of $26.20 per oz (Q2-2023 - $21.26/oz).
- Operations generated a gross profit of $4,913 in Q2-2024 compared to $2,745 in Q2-2023, an increase of 79%.
- Net income was $6,813 (diluted EPS of $0.05) in Q2-2024, compared to a net loss of $(525) (diluted EPS of $(0.00)) in Q2-2023.
- Cash flow generated by operating activities of $5,307 in Q2-2024, compared to $3,674 in Q2-2023.

H1-2024 Operational Highlights:

- Silver production totaled 799,028 oz, of which 556,812 oz as silver concentrate and 242,216 oz as silver ingots, in H1-2024. The 20% decrease compared with the silver ounces produced in H1-2023 is a direct result of the lower feed grade and recovery.
- Mill average feed grade of 184 g/t Ag was recorded in H1-2024 compared to 250 g/t Ag in H1-2023, a decrease of 26%.
- Milling operations averaged 890 tpd in H1-2024 compared to 801 tpd in H1-2023, an increase of 11%. Combined mill recovery averaged 83.4% in H1-2024 compared to 87.2% in H1-2023, a decrease of 3.8%.
- 16,630m of DDH were completed at Zgounder, 5,790m on Zgounder Regional permits, and 42,073m at Boumadine in H1-2024.
- Cost of sales of $13,507 in H1-2024 (H1-2023 – $15,236) with an average cash cost per silver ounce sold of $18.62/oz in H1-2024 compared to $12.87/oz in H1-2023.(6)

H1-2024 Financial Highlights:

- Revenue from silver sales for H1-2024 totaled $18,756 (H1-2023 – $20,065), a decrease of 7% representing an average net realized price of $24.67 per oz (H1-2023 - $20.89/oz).
- Operations generated a gross profit of $5,249 in H1-2024 compared to $4,829 in H1-2023, an increase of 9%.
- Net income was $4,222 (diluted EPS of $0.03) in H1-2024, compared to a net income of $536 (diluted EPS of $0.00) in H1-2023.
- Cash flow used by operating activities of $(4,928) in H1-2024, compared to $7,738 generated in operating cash flow in H1-2023.
- 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 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.

(5) Non-GAAP Measures, refer to page 25.
(6) Non-GAAP Measures, refer to page 25.

Operating Results

Zgounder Silver Mine Operations

In Q2-2024, 40,659 tonnes of ore were produced from the open pit. Grade and plant recoveries improved from Q1-2024 as mining activities exposed fresh ore. As per the mine sequence, higher-grade zones are being mined which will continue to improve the open-pit grade throughout the year. As planned, ore was mined from the open pit at an average strip ratio of 12 during Q2-2024, down from 18 in Q1-2024. 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 are in line with our plan and expectations.

The underground mining team continued to work on new ore drives, and old stopes to make them safe for operation in the coming quarters. The Corporation's standard mining methods were followed to achieve a high ore recovery. Several historical, high-grade stopes are being backfilled and leveled to enable their operation. The combination of these activities resulted in lower grade ore being mined during H1-2024. Grade improvement is expected to continue through the year. The total mining rate for the quarter averaged 1,253 tpd, for a total of 114,025t of ore mined in the quarter. Overall, stockpiles totaled 309,926t at quarter-end. In line with our plan, underground development was largely complete. The development team is now focused on new stope development and old stope rehabilitation for production ramp-up.

In Q2-2024, nine stopes were in operation or being backfilled, up from six in Q1-2024. Four additional stopes were in development at quarter-end, ready for definition drilling. The team expects to reach higher-grade stopes in the coming quarters as known, defined, vertical orebodies become accessible via the 1,925 level.

In Q2-2024, 80,562t of ore were processed. Total mill availability for the quarter continued to be excellent at 95.4%. Mill feed grade was 196 g/t Ag, and recovery averaged 84.7%. As expected, recovery improved from Q1-2024, as fresh ore was exposed from the open pit. In the new plant, recoveries for the oxidized and fresh ore are expected to be equal. Total production of 432,667oz was achieved in the quarter.

The H1-2024 mining and recovery rates, grade, and mill ramp-up were factored into the 2024 silver production guidance.

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

Figure 1 *- Zgounder Open Pit*

Capital Projects

Capital projects in Q2-2024 were mainly related to the mine expansion 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 on ore and waste chutes. At surface, new water wells were completed to further improve water storage. Construction of employee-focused infrastructure, such as underground changing rooms and recreational spaces, is complete.

Development and Exploration

Zgounder Exploration

In Q2-2024, the Corporation continued its at-depth drilling program on the Zgounder mining permit, with four underground rigs and one surface rig drilling a total of 7,920m of DDH. A total of 16,630m of drilling was completed in H1-2024. Given the success of the drilling program in H1-2024, the Zgounder drill program has been upgraded to 30,000m for 2024.

Drill results in the quarter continue to confirm high-grade continuity of silver mineralization at depth. Exploration holes ZG-SF-24-123 and ZG-SF-24-142 returned silver-rich results near the granite contact indicating strong resource potential at depth.

Zgounder Regional

A 10,000m drill program has been established for Zgounder Regional in 2024 with the aim of finding mineralization similar to Zgounder. Two surface rigs were mobilized during the quarter, carrying out a total of 2,792m on Zgounder East, Zgounder South and Zgounder South-East targets adjacent to the mine. A total of 5,790m were drilled in H1-2024, 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 Q2-2024, construction of the plant and surface infrastructure continued to track budget. Overall, the expansion project was over 95% complete, compared to 89% at the end of Q1-2024.

- Mine expansion is fully funded.
- Mill commissioning began on schedule in late Q2-2024.
- Tailings and water storage facilities are complete.
- Processing plant is 96% complete with piping and instrumentation remaining.
- Electrical infrastructure is fully complete and operational.
- Underground development of 9,092m completed, 96% of the initial lateral development program.
- Approximately 83% of vertical development is complete.
- Production from the open pit is ongoing.
- $150 million of growth and sustaining capex has been incurred and an additional $12 million has been committed.

Mine Development

All mine levels included in the expansion's initial capital expenditure have been completed. Mine development is now focused on stope access and definition as part of the ramp-up program. Installation of mine services is ongoing: the electrical distribution, access bolting and mine rescue chambers will be completed before year-end. Mechanical completion and commissioning of the new 1,925-level ventilation raise, and upper-level ore chutes are also expected to be complete by the end of the year.

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 in Q3-2024. The current ore stockpile allowed the team to mine at a steady rate in Q2-2024 and delivered new stopes for the H2-2024 mine ramp-up.

Processing Plant

Plant civil, concrete and structural works, and equipment installation are complete.

Installation of structures and equipment is completed, with electrical works, instrumentation and piping near-complete. Commissioning activities began on the ball mill and Merrill-Crowe sub-systems. As of June 30, 2024, preparation for wet commissioning was ongoing. First ore is planned to be introduced to the mill in Q3 which will lead to final commissioning and ramp up.

The Engineering, Procurement, and Construction (”EPC”) contractor has completed the necessary on-site deliveries, with only delivery of minor piping expected in early Q3-2024. As piping and instrument installation is finalized, wet commissioning will accelerate through Q3-2024. Hot commissioning with ore is projected to start in Q3-2024 for commercial production in Q4-2024 as planned.

Figure 2 *- Completion of Leaching Tanks*

Figure 3 - First Silver Doré Bars from Newly Commissioned Furnace

Infrastructure

At quarter-end, construction of the new assay laboratory was complete. The laboratory operator is installing the final pieces of equipment, and assaying of first samples is expected in August. Construction of the new warehouses and workshops is complete.

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 are complete and running to plan.

Water captured 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 the end of June 2024, over half of the total storage capacity had been filled on site. Evaporation mitigation measures are being deployed as the dry season begins. New water wells have been commissioned to increase water supply.

Figure 4 - Completion of Electrical Arrival Station for Renewable-Energy Power Line

Operational Readiness

Aya's operations team is mobilized, and hiring continues. All teams are functional as they continue to grow. Aya has hired various commissioning experts to assist, de-risk and accelerate commissioning. Commissioning activities started on schedule in Q2-2024. All senior personnel have been hired, and labor recruitment is ongoing. The EPC firm responsible for the plant construction has also mobilized senior engineers to support commissioning.

Financing Update

During Q2-2024, following a technical site visit by the lenders, the Corporation made a fourth and final drawdown on the project loan of $15 million, for a total of $100 million. Proceeds from drawdowns are used to further advance the Zgounder Mine expansion.

At quarter-end, the Corporation had successfully completed milestones 2 and 3, Zgounder's connection to the renewable-energy power line, resulting in a reduction in the interest rate of the CTF tranche of the EBRD Facility (the CTF tranche represents $8 million of the $100 million total EBRD Facility). Effective July 1, 2024, the new interest rate on the CTF Tranche is 1.00%.

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 June 30, 2024:

Area	Progress
Processing Plant	95%
Underground and Open-Pit Mines	94%
Tailings	100%
Water Management	100%
Electrical Infrastructure	98%
On-site Infrastructure	96%

Boumadine Development

In 2024, the Corporation plans to mobilize nine drill rigs to complete a 120,000m drill program at Boumadine. Half of the program will test the continuation of the known trend and carry out infill drilling. The remaining 50% will focus on geological targets generated by work completed in 2023 and will be informed by the interpretation of the hyperspectral and high-resolution geophysical surveys completed in July 2024.

The second quarter saw the Corporation drill 27,046m DDH at Boumadine to explore along strike and test new targets. Results extended the main mineralized trend by 800m to 5 km with BOU-DD23-265 intersecting 1,355 g/t AgEq over 3.1m (16.25 g/t Au, 86 g/t Ag, 0.1% Zn, 0.1% Pb and 0.1% Cu) in the north of the main trend. [7] Furthermore, the Tizi strike length was extended to 1.6km with intercepts such as BOU-DD24-310 which returned 445 g/t AgEq over 13.7m (4.90 g/t Au, 42 g/t Ag, 0.3% Zn, 0.4% Pb and 0.1% Cu), including 1.6m at 1,988 g/t AgEq and 1.5m at 813 g/t AgEq). A new style of very high-grade silver mineralization was identified by BOU-DD24-310 which intersected 7,820 g/t Ag over 1.0m.

To date, over 42,073m have been drilled on Boumadine, mainly on the Main Trend, and on the Tizi and North-West Zones.

During the quarter, the Corporation increased its Boumadine land package further through the addition of seven new exploration permits. These additions, together with the permits acquired in Q1-2024 increase the Boumadine land package to 198 km^2, a 102% increase compared to year-end 2023.

An extensive regional airborne geophysical survey using MobileMT technology was completed in the quarter covering 13,714-line km. Preliminary results outlined multiple potential conductive anomalies with a similar or stronger response than the known Boumadine conductors. A set of two strong apparent conductors were identified west of Boumadine which extend in an east-west direction.

[7] 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.

Additionally, a series of N340 and north-south-oriented potential conductive anomalies were identified. Overall, results showed potential for a highly conductive parallel zone and for extending the Main Trend to the south. The Corporation plans to mobilize drill rigs on the high-priority targets.

On May 31, 2024, the Corporation filed an NI 43-101 Technical Report for Boumadine on SEDAR+ with no differences between the report and the April 16, 2024, news release announcing the mineral resource estimate at Boumadine.

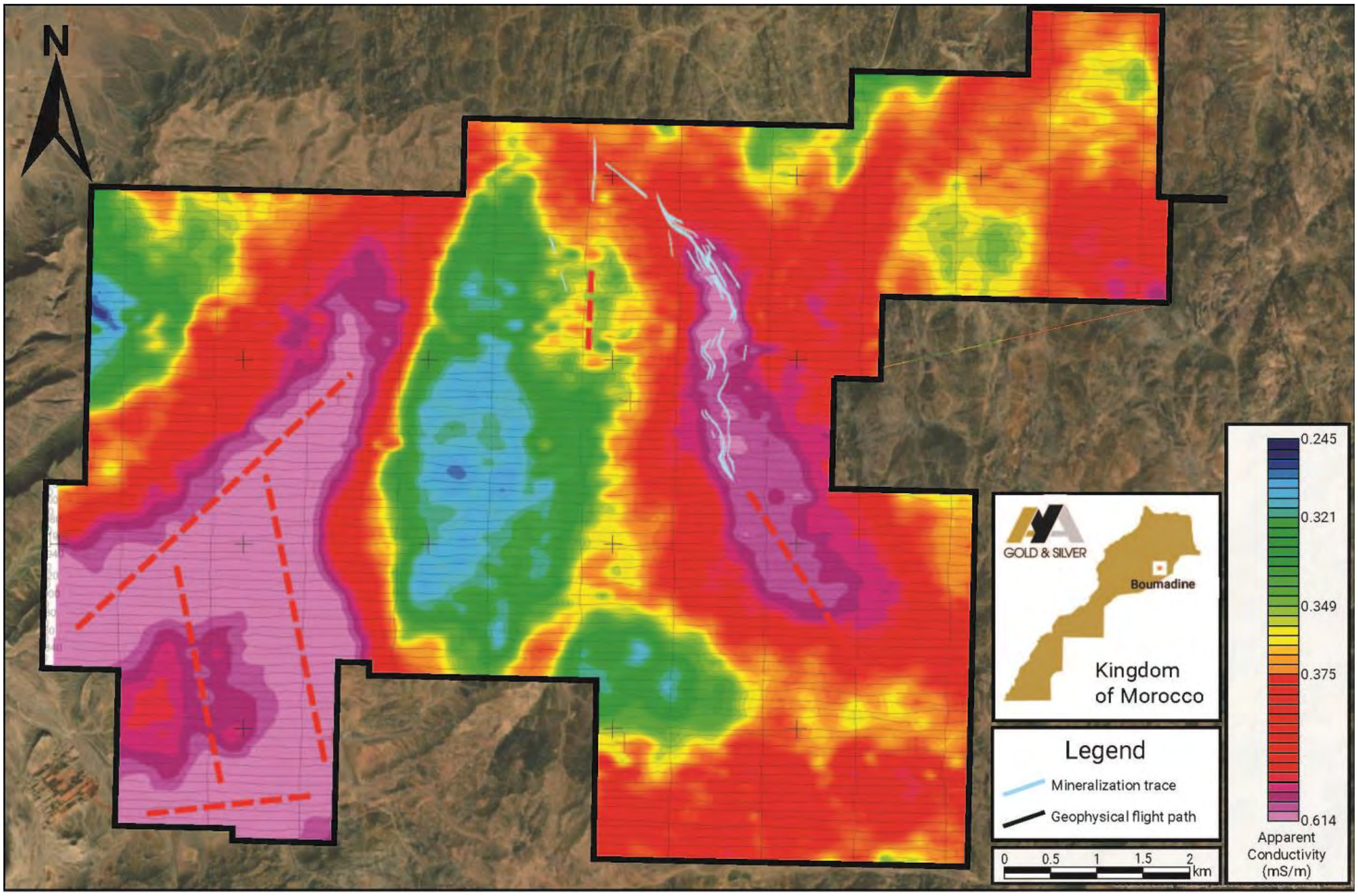


Figure 6 - Preliminary Results - Apparent Conductivity at 175Hz at Boumadine (target in dashed red)

Tirzzit Exploration

A 1,697-line km geophysical survey involving high-resolution magnetics and MobileMT technology was flown over Tirzzit in Q2-2024. A hyperspectral survey and geological mapping were also completed. The final data and interpretation are expected later in Q3-2024 which will inform the Corporation's next steps on the property.

Sustainability

During Q2-2024, the Corporation continued to implement its Environment and Social Management System ("ESMS"). Below, are the main activities during the quarter:

- Provided 3,761 hours of health and safety training and induction training for commissioning of the new plant.
- Published 2023 Modern Slavery Report.
- Leveraged annual World Environment Day celebrations to raise site-level employee sensitivity on recycling and on the environment.
- Community activities:
  - Education – Donated school furniture, prizes and sports equipment; evaluated online school support for middle-school children; helped celebrate World Environment Day and National School Safety Day; and trained adult literacy teachers.
  - Health – Conducted second phase of audiology mobile clinic, following up on initial positive cases and supported National Week of School Health.
  - Livelihood projects – Finalized market gardens, adding an additional well and signage at the saffron community teaching farm.
  - Co-operative support – Provided training to support coop provincial registration and funding; and training in their coop's legal framework.
  - Infrastructure – Releveled a local football pitch and continued widening a road section between two villages.

Figure 7 - Repair and Widening of Road Section Between Two Rural Villages

Overview of Financial Performance

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

	Three-month periods ended June 30,			Six-month periods ended June 30,			
	2024	2023	Variance	2024	2023	Variance	
Revenue from silver sales	13,678	9,621	42%	18,756	20,065	(7%)	(1)
Cost of sales	8,765	6,876	27%	13,507	15,236	(11%)	(2)
Gross profit	4,913	2,745	79%	5,249	4,829	9%	(3)
General and administrative expenses	2,190	1,909	15%	4,268	3,395	26%	(4)
Share-based payments	1,071	872	23%	2,197	1,554	41%	(5)
Operating income (loss)	1,652	(36)	(4,689%)	(1,216)	(120)	913%	
Net finance income	6,126	839	630%	6,699	2,784	141%	(6)
Net income before income taxes	7,778	803	869%	5,483	2,664	106%	
Income tax expense	965	1,328	(27%)	1,261	2,128	(41%)	(7)
Net income (loss)	6,813	(525)	(1,398%)	4,222	536	688%	(8)
Income per share (diluted)	0.05	(0.00)	NM	0.03	0.00	NM	(8)

***NM** – Not Meaningful*

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

1. **Revenue from silver sales** totaled $13,678 in Q2-2024 compared to $9,621 in Q2-2023, driven by a 15% increase in ounces sold of 521,971 oz in Q2-2024 compared to 452,523 oz in Q2-2023 and by an increase in the average net realized silver price per oz. The average net realized silver price per oz sold increased by 23% to $26.20 in Q2-2024 compared to $21.26 in Q2-2023 and was partially offset by the average processed grade that decreased by 26% to 196 g/t in Q2-2024 compared to 265 g/t in Q2-2023 and by the combined mill recovery that went down by 2.6% in Q2-2024 compared to Q2-2023. In addition, the Corporation had an exceptionally high silver concentrate inventory of 157,457 oz in Q1-2024 which was converted to sales in Q2-2024.
2. **Cost of sales** in Q2-2024 increased by 27% compared to Q2-2023, mainly driven by an increase in production costs due to the average grade processed that went down by 26% to 196 g/t in Q2-2024 compared to 265 g/t in Q2-2023 and has been partially offset by a decrease in depreciation expense since the estimation of useful lives of certain assets had been increased at the end of 2023.
3. **Gross profit** for the quarter increased by 79%, driven primarily by the significant increase in revenues (ounces sold and average net realized silver price per oz) with partial offset from the higher costs of oz sold due to lower average grade processed.
4. **General and administrative expenses** were 15% higher in Q2-2024 compared with Q2-2023. The Corporation now has multiple projects in Morocco and one in Mauritania and, as such, G&A expenses increased to manage these projects.
5. **Share-based payments** are the cost of restricted share units and deferred share units over the vesting period that the Corporation awards to certain employees, directors, and officers, resulting in a non-cash expense of $1,071 in Q2-2024. The 23% increase in costs is mainly due to a larger group of employees which are entitled to RSU grants.
6. **Net finance income** was 630% higher in Q2-2024 than in Q2-2023 due to a foreign exchange gain of $4,728 in Q2-2024 compared to a foreign exchange gain of $295 in Q2-2023. The gain in Q2-2024 was mainly driven by a 3.4% appreciation of the USD against the Canadian dollar on advances made in USD to Moroccan subsidiaries that generated a gain of $4 million in Q2-2024. In addition, there was an increase in interest income in Q2-2024, which amounted to $1,428 compared to $620 in Q2-2023, due to a higher cash balance on accounts.
7. **Income tax expense** in Q2-2024 was 27% lower than in Q2-2023 due to the decrease in taxable income of our Moroccan operating entity.
8. **Net income (loss)** of $6,813 (diluted EPS of $0.05) was recorded in Q2-2024 compared to net loss of $(525) (diluted EPS of $0.00) in Q2-2023.

Six-month period ended June 30, 2024, compared to the six-month period ended June 30, 2023

1. **Revenue from silver sales** totaled $18,756 in H1-2024 compared to $20,065 in H1-2023, representing a 7% decrease. The decrease is largely due to the volume of silver sold which decreased by 21% to 760,237 oz in H1-2024 compared to 960,727 oz in H1-2023; to the average grade processed which went down by 26% to 184 g/t in H1-2024 compared to 250 g/t in H1-2023, and to the combined mill recovery which went down by 3.8% to 83.4% in H1-2024 compared to 87.2% in H1-2023. The change has been partially offset by the average net realized silver price per oz sold that increased by 18% to $24.67 in H1-2024 compared to $20.89 in H1-2023.

2. **Cost of sales** were 11% lower in H1-2024 than in H1-2023, largely due to a decrease in depreciation expense since the estimation of useful lives of certain assets increased at the end of 2023 partially offset by an increase in operational costs associated with preparation for the expansion, mine ramp-up and health and safety activities and an increase in production costs due to the average grade processed which went down to 184 g/t in H1-2024 compared to 250 g/t in H1-2023.

3. **Gross profit** was 9% higher in H1-2024 than in H1-2023 since the average net realized silver price per oz sold increased by 18% and was offset by the higher costs of ounces sold due to lower average grade processed and lower combined mill recovery.

4. **General and administrative expenses** were up by 26%, 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 increased to manage these projects.

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 $2,197 in H1-2024. The Corporation awarded 439,954 Restricted Share Units and 71,509 Deferred Share Units in H1-2024 as part of its annual grant program to employees and directors. There were no stock option grants during H1-2024 and H1-2023.

6. **Net finance income** in H1-2024 was significantly higher than in H1-2023 mainly due to recognition of a foreign exchange gain of $4,496 in H1-2024 compared to a foreign exchange gain of $1,608 in H1-2023 due to the 3.4% appreciation of the USD against the Canadian dollar on advances made in USD to Moroccan subsidiaries that generated a gain of $4 million in Q2-2024 alone while the MAD remained relatively stable against the USD during H1-2024. In addition, there was an increase in interest income in H1-2024, which amounted to $2,227 compared to $1,165 in H1-2023, due to a higher cash balance on accounts.

7. **Income tax expense** in H1-2024 was 41% lower than in H1-2023 due to a decrease in taxable income of our Moroccan operating entity.

8. As a result of the foregoing, a **net income** of $4,222 (diluted EPS of $0.03) was recorded in H1-2024 compared to a net income of $536 (diluted EPS of $0.00) in H1-2023.

Summary of Quarterly Results

Selected quarterly information

	Revenues	Net Income (Loss)	Net Income (Loss) per share (diluted)
Quarter ended	$	$	$
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
September 30, 2022	7,187	672	0.01
June 30, 2022	8,574	725	0.01

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 sold[8] 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 cost[9] 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 total 669,506 oz sold in Q4-2022, compared to 419,760 oz sold in Q3-2022.

Revenues in Q3-2022 decreased by16% compared to Q2-2022 due to the average net realized price of silver sold which decreased from $19.53 in Q2-2022 to $17.12 in Q3-2022 and the decrease in silver ounces sold that went from 439,080 oz in Q2-2022 to 419,760 oz in Q3-2022.

[8] Non-GAAP Measures, refer to page 25.
[9] Non-GAAP Measures, refer to page 25 .

Liquidity and Capital Resources

As at June 30, 2024, the Corporation had working capital of $76,939 compared to $33,704 as at December 31, 2023[10] including cash and cash equivalents of $85,146 ($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 generated $21,190 of operating cash flow in 2023 and used $4,928 of operating cash flow in H1-2024, principally from the Zgounder operation, the Corporation's 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 six-month periods ended June 30, 2024, and 2023:

	Three-month periods ended June 30,		Six-month periods ended June 30,	
Cash Flow	**2024**	**2023**	**2024**	**2023**
Operating cash flows before working capital	3,738	2,754	2,787	4,610
Change in non-cash operating working capital	1,569	920	(7,715)	3,128
Net cash flow from (used) operating activities	5,307	3,674	(4,928)	7,738
Net cash flow used in investing activities	(26,246)	(43,475)	(49,863)	(62,278)
Net cash flow from financing activities	15,619	(424)	92,499	63,648
Effect of exchange rate changes on cash in foreign currencies	(73)	1,297	(2,392)	1,100
Net (decrease) increase in cash and cash equivalents	(5,393)	(38,928)	35,316	10,208
Cash and cash equivalents, beginning of the period	90,539	88,496	49,830	39,360
Cash and cash equivalents, end of period	85,146	49,568	85,146	49,568

Operating

During the three-month period ended June 30, 2024, the Corporation generated operating cash flows of $3,738 before working capital items, up $984, compared to $2,754 for the same period last year. The increase was driven by higher operating income in Q2-2024 compared to Q2-2023. See section Overview of Financial Performance.

The operating cash flow in Q2-2024 was positively impacted by an increase in working capital items of $1,569 mainly due to higher accounts payable and accrued liabilities partially offset by additional investments in accounts receivable and inventories in Q2-2024.

During the six-month period ended June 30, 2024, the Corporation's operating cash flow before working capital items totaled $2,787, compared to $4,610 for the same prior-year period. The decrease was driven by higher operating loss in H1-2024 compared to H1-2023. See section Overview of Financial Performance.

The operating cash flow in H1-2024 was negatively impacted by a decrease in working capital items of $7,715 mainly due to an increase in accounts receivable, inventories, prepaid expenses and security deposits, a decrease in accounts payable and accrued liabilities, which were partially offset by a decrease in sales tax receivables and an increase in income taxes payable.

Investing

During the three-month period ended June 30, 2024, the Corporation used $26,246 in investing activities compared to $43,475 in Q2-2023. The decrease is related to the acquisition of property plant and equipment and deposits to suppliers, for capital expenditures of $20,092 in Q2-2024 which is primarily related to the Zgounder expansion, compared to $37,900 in Q2-2023. This reflects the current stage of the Zgounder expansion compared to last year as the project is over 95% complete at quarter-end. Exploration and evaluation assets, mainly the Boumadine and Zgounder Regional projects, were $8,394 in Q2-2024 compared to $4,840 in Q2-2023. In Q2-2023, Aya purchased the Tirzzit property and paid $800 in cash compared to $nil in Q2-2024. $2.25 Million of restricted cash, initially serving as collateral for a foreign exchange line of credit was released.

During the six-month period ended June 30, 2024, the Corporation used $49,863 in investing activities compared to $62,278 in the same

[10] Non-GAAP Measures, consisting of current assets of $123,139 less current liabilities of $46,200 (December 31, 2023, current assets of $80,399 less current liabilities of $46,695).

prior-year period. The decrease is related to the acquisition of property plant and equipment and deposits to suppliers for capital expenditures, both of which relate to the Zgounder expansion for $38,104 in H1-2024 compared to $51,716 in H1-2023. An investment of $13,999 was made in exploration and evaluation assets for the various exploration assets of the Corporation in H1-2024 compared to $9,815 in H1-2023. $2.25 Million of restricted cash, initially serving as collateral for a foreign exchange line of credit was released.

Financing

During the three-month period ended June 30,2024, the Corporation drew down $15,000 from the EBRD loan compared to $nil for the same prior-year period. The proceeds have been solely used for the Zgounder expansion. No deferred financing costs were paid in Q2-2024 compared to $2,044 in Q2-2023.

During the period ended June 30, 2024, stock options were exercised for proceeds totaling $786, compared to $1,072 for the same period in 2023. No warrants were exercised in Q2-2024 compared to $606 in Q2-2023.

Lease liabilities payments between Q2-2024 and Q2-2023 were at a comparable level.

During the six-month period ended June 30, 2024, the Corporation drew down $40,000 from the EBRD Facility compared to $nil 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 Facility in H1-2024 compared to $2,952 in H1-2023.

During the six-month period ended June 30, 2024, warrants and stock options were exercised for proceeds totaling $888, compared to $2,061 for the same period in 2023.

During H1-2024 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 $64,712 in H1-2023.

Lease liabilities payments between H1-2024 and H1-2023 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 actual use of the funds as of June 30, 2024, compared to the budgeted amounts initially set out in the prospectus:

Principal use	Earmarked usage $ (million)	Actual usage $ (million)
Boumadine exploration and development	36.9	8.8
Zgounder regional and other projects	4.4	2.0
General corporate purposes[11]	16.0	5.7
Total	**57.3**	**16.5**

[11] Includes $3.3 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	57,298	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.
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	3,156	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 June 30, 2024, compared to December 31, 2023:

	As at June 30, 2024	As at December 31, 2023	Variance
Cash and cash equivalents	85,146	49,830	71%
Accounts receivable	3,296	607	443%
Sales taxes receivable	7,947	10,806	(26%)
Income tax receivable	1,675	-	NM
Inventories	22,398	16,810	33%
Prepaid expenses and security deposits	2,608	2,346	11%
Options contracts	69	-	NM
Total current assets	**123,139**	**80,399**	**53%**
Restricted cash	18,261	20,503	(11%)
Deferred financing fees	-	1,888	NM
Non-refundable deposits to suppliers	4,155	8,136	(49%)
Deferred income tax	603	617	(2%)
Property, plant, and equipment	205,819	161,502	27%
Exploration and evaluation assets	72,949	60,012	22%
Total assets	**424,926**	**333,057**	**28%**
Total current liabilities	**46,200**	**46,695**	**(1%)**
Lease liabilities	835	887	(6%)
Long-term debt	96,421	57,672	67%
Asset retirement obligations	2,861	2,667	7%
Total liabilities	**146,317**	**107,921**	**36%**
Total equity	**278,609**	**225,136**	**24%**
Total liabilities and equity	**424,926**	**333,057**	**28%**

NM: *Not Meaningful*

Assets

The change in the Corporation's cash and cash equivalents balance on June 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 $2,689 between December 31, 2023, and June 30, 2024, is due to two large lots of silver concentrate which were sold at the end of Q2-2024. The cash was received in the first few days of Q3-2024.

The decrease in sales taxes receivable as at June 30, 2024 compared to December 31, 2023 of $2,859 is related to a reimbursement of $5,929 received during Q1-2024 partially offset by the increase of $3,070 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 to prepare for the ramp-up from a daily production of 700 tpd to 2,700 tpd at the Zgounder mine which is scheduled for Q4-2024. The current stockpile inventory of 309,926 tonnes will not increase significantly in Q3-2024 and will stabilize in Q4-2024 to maintain a security stock of 3-6 months of production.

The addition of $1,675 in income tax receivable is related to installments done in H1-2024 calculated based on last year's taxable income.

The change in non-current assets balance on June 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 remained stable with a decrease of 1% between H1-2024 and the year ended December 31, 2023.

The lease liabilities stayed at comparable levels between H1-2024, and the year ended December 31, 2023.

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

The $38,749 increase in external debt is related to the EBRD Facility (See Note 7 of the FS).

The change in total equity is mainly attributable to net income during H1-2024, and to the financing of C$77.6 million ($57.3 million) completed in February 2024 (See February 14, 2024, Financing). In addition, 359,100 stock options with an average strike price of C$3.01 were exercised and 122,768 RSUs were settled at an average price of C$8.22 during H1-2024.

Capital Management

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

a. Ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions;
b. Ensure the externally imposed capital requirements relating to debt obligations are being met;
c. Increase the value of the Corporation's assets; and
d. 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 June 30, 2024, managed capital is $370,693 ($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 June 30, 2024	As at December 31, 2023
Long-term debt	96,421	57,672
Equity	274,272	220,721
	370,693	**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 June 30, 2024:

	0-12 months	12-24 months	More than 24 months	Total
	$	$	$	$
Accounts payable and accrued liabilities	44,441	-	-	44,441
Long-term debt	-	14,286	85,714	100,000
Balance of purchase price payable	1,505	-	-	1,505
Lease liabilities, including future interest	311	282	655	1,248
	46,257	**14,568**	**86,369**	**147,194**

Engineering Procurement and Construction Contract

On November 30, 2022, the Corporation's subsidiary, Zgounder Millennium Silver Mining SA, entered into an 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 for an equivalent of approximately $81 million based on closing rates as at June 30, 2024. As at June 30, 2024, the Corporation recorded $75 million in relation to the DF agreement (December 31, 2023 - $61 million) which was recorded as assets under construction.

As at June 30, 2024 the Corporation has committed to incur approximately $12 million, including approximately $6 million to DF, for costs related to assets under construction. In addition, the Corporation has made $3 million of deposits to suppliers in connection with the expansion of the Zgounder Silver Mine, including $0.5 million to DF (see Note 7 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 $410 and $559 for the three and six-month periods ended June 30, 2024, respectively ($297 and $610 for the three and six--month periods ended June 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 is 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 Tirex's future cash flows.

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 June 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 June 30,		Six-month periods ended June 30,	
Zgounder Silver Mine – Morocco	**2024**	**2023**	**2024**	**2023**
Cost of sales[12]	8,765	6,876	13,507	15,236
Depreciation	(531)	(2,588)	(799)	(4,350)
Cost of sales, excluding depreciation	**8,234**	**4,288**	**12,708**	**10,886**
Add:				
Smelting, refining and transport costs[13]	1,081	681	1,446	1,481
Adjusted operating cash costs (A)	**9,315**	**4,969**	**14,155**	**12,367**
Silver ounces sold (B)	**521,971**	**452,523**	**760,237**	**960,727**
Cash cost per silver ounce sold (A/B)	**17.85**	**10.98**	**18.62**	**12.87**

Available Liquidity

Available liquidity is a new non-IFRS measure used by management to prudently monitor its cash. Available liquidity comprises 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 June 30, 2024	As at December 31, 2023
Cash and cash equivalents	85,146	49,830
Undrawn amount under credit facility	-	40,000
Available liquidity	**85,146**	**89,830**

[12] As per note 12 of the FS for the total cost of sales.
[13] 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 June 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	221,300	7.69
	4,722,451	

Outstanding Share Data

	Number of shares outstanding (diluted)
Outstanding as of August 13, 2024	130,453,321
Shares reserved for issuance pursuant to share purchase options	4,722,451
Shares reserved for issuance pursuant to deferred share units	400,021
Shares reserved for issuance pursuant to restricted share units	1,297,067
	136,872,860

Off-Balance Sheet Arrangements

As at June 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 six-month periods ended June 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 $120 and $465 for the three-month and six-month periods ended June 30, 2024 ($233 and $378 for the three-month and six-month periods ended June 30, 2023, respectively). As at June 30, 2024, $242 (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 SRG Mining Inc, a public company of which the Corporation's Chief Executive Officer is also the Director and Executive Chairman of the Board, of $18 and $32 for the three-month and six-month periods ended June 30, 2024 ($11 and $22 for the three-month and six-month periods ended June 30, 2023, respectively). There were no outstanding balances payable as at June 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 six-month periods ended June 30, 2024, and 2023, the remuneration awarded to key management personnel (including the amounts above) was as follows:

	Three-month periods ended June 30,		Six-month periods ended June 30,	
	2024	2023	2024	2023
	$	$	$	$
Salaries and benefits	**360**	173	**661**	377
Management consulting and professional fees	**320**	307	**648**	523
Share based payments	**786**	621	**1,592**	1,096
	1,466	1,101	**2,901**	1,996

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 six-month periods ended June 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

As at June 30, 2024, and the date hereof, the Corporation had no disclosable proposed transaction.

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 in 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 June 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" 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 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; and (17) litigation, regulatory proceedings and audits, and the potential ramifications thereof, being concluded in a manner consistent with the Corporation's 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); 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 June 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 of 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.