

Aya Gold & Silver Increases Operating Cash Flow by 1,196% to \$17.5M in 2021; Establishes Solid Platform for Growth

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MONTREAL, March 30, 2022 - [Aya Gold & Silver Inc.](#) (TSX: AYA) ("Aya" or the "Corporation") is pleased to report financial and operational results for the fourth quarter and year ended December 31, 2021. All amounts are in US dollars unless otherwise stated.

2021 Annual Highlights

- Record year in terms of silver ("Ag") production, revenues, and operating cash flow
- Achieved acceptable operating standard at Zgounder which the Corporation can now optimize
- ● Throughput averaged 609 tonnes per day ("tpd") during the year, exceeding design capacity in Q4-2021 by reaching 716 tpd
 - Combined mill recovery averaged 83%
 - Global availability of 86% and 90.5% for the flotation and cyanidation plants, respectively
- Successful drill program at Zgounder
- ● Increased measured and indicated ("M&I") mineral resources by 116% to 96 million ounces ("Moz") of Ag. Inferred resources grew to 6Moz Ag.
 - 42,000 meters ("m") campaign returned 37 of Zgounder's top 50 best intercepts
- Zgounder expansion feasibility study ("FS") advanced to plan in 2021, the results of which were released in February 2022
- Initial fieldwork from Imiter bis identified a 4km potential strike and five priority drill targets
- ● Scout drilling confirmed the presence of gold ("Au") and Ag in several discovery holes
- Successfully completed a CA\$70 million (US\$55 million) bought deal public offering
- Robust financial position with \$84.2 million of cash, cash equivalents and restricted cash
- Launched ESG program and inaugural sustainability reporting
- Acquired Algold and completed 85% of the Tijirit Project FS by year-end
- Expanded total land positions by 40% in the Zgounder Regional and Azegour areas.
- Ranked #12 on the 2021 TSX30 as a top-performing stock, with a 3-year share appreciation of +253%

2022 Outlook & Year So Far

- Delivered a maiden reserve estimate of 8,590 K tonnes of Ag averaging 257 g/t for 70,876 Ag oz
- Completed a robust Zgounder 2,000 tpd expansion FS that extends the mine life to 11 years and quadruples post-expansion annual production to 7 Moz Ag
- Guidance of between 1.65 and 1.8 Moz production at cash cost of \$12/oz
- Received environment impact assessment approval for expansion of Zgounder
- Launched a 5-year community investment and entrepreneurship program
- Clear pathway to zero Scope 2 emissions at Zgounder by 2024 through interconnection agreement with ONEE and intent to sign a renewable power purchase agreement

"2021 was a fantastic year for Aya, which is a testament to the team's hard work and focus to deliver on our commitments," said Benoit La Salle, President & CEO. "We reported record production, revenue, cash, and cash flow growth, all while turning around operations and launching an inaugural ESG program and GRI-compliant sustainability report. We also drilled 60,000 meters, delivering significant resource growth through the drill bit and a high-grade maiden reserve at Zgounder."

"Our year-end results, combined with the strong project economics generated by Zgounder's expansion feasibility study, daylight a path for significant growth in 2022 and beyond. We are growing our land package and re-investing capital at Zgounder and in exploration as well as the local community to strengthen our position in country and sustainably deliver returns for all stakeholders. We look to the future with confidence and optimism."

2021 Operational and Financial Highlights

Key Performance Metrics	2021	2020	Variation '21 vs '20
Operational			
Ore Processed (tonnes)	224,515	128,923	74%
Average Grade (g/t Ag)	269	255	5%
Mill Recovery (%)	82.1%	68.7%	13%
Silver Ingots Produced (oz)	692,392	439,448	58%
Silver in Concentrate Produced (oz)	908,254	286,871	217%
Total Silver Produced (oz)	1,600,646	726,319	120%
Silver Ingots Sold (oz)	640,499	395,489	62%
Silver in Concentrate Sold (oz)	874,057	266,079	228%
Total Silver Sales (oz)	1,514,556	661,567	129%
Avg. Net Realized Silver (\$/oz)	22.65	20.89	8%
Avg. Silver Production Cost (\$/oz)	11.43	13.46	(15)%

Financial

Revenues	34,301,914	13,822,709	148%
Cost of Sales	18,292,185	9,779,055	87%
Gross Margin	16,009,729	4,043,654	296%
Operating Income (Loss)	5,879,000	(1,692,329)	447%
Net Earnings (Loss)	1,272,142	(1,779,590)	171%
Operating Cash Flows	17,540,535	1,353,451	1,196%
Cash and Restricted Cash	84,185,219	33,291,691	153%

Shareholders

Earnings (Loss) per Share - basic	0.013	(0.021)
Earnings (Loss) per Share - diluted	0.012	(0.021)

2021 Annual Financial & Operational Highlights

- Record Ag production of 1,600,646 oz, a 120% year-over-year increase attributable to the operational efficiencies achieved under our turnaround plan
- Operating cash flow of \$17,540,535 in 2021, a 1,196% increase compared to 2020
- Revenue from Ag sales of \$34,301,914 compared to \$13,822,709 in 2020, an increase of 148%. The average realized price in 2021 was \$22.65/oz (2020: \$20.89/oz)
- Revenue was impacted by the Corporation's decision to hold higher ingot inventory of \$1,464,523 in consignment (\$63,811 in Q4-2020) due to lower Ag prices at year-end.
- These ingots were sold in Q1-2022

- The Corporation had cash, cash equivalents and restricted cash of \$84,185,219 as at December 31, 2021 compared to \$33,291,691 as at December 31, 2020
- Net income of \$1,272,142 in 2021, compared to a net loss of \$(1,779,590) in 2020, driven by an important increase in production and Ag sales
- ● The Corporation was charged a temporary 5% COVID-related tax of \$811,555 by the Moroccan tax authorities
- Milling averaged 609 tpd throughput the year with both plants were operating at or above their nameplate capacities by year-end

Fourth Quarter 2021 Financial & Operational Highlights

- Total Ag production of 433,742 oz in Q4-2021, a 6% increase compared to Q4-2020
- Total Ag sales of 338,591 oz in Q4-2021, a decrease of 24% compared to the same period in 2020
- Cost of sales of \$4,634,254 (Q4-2020 - \$4,991,686) with an average cost per oz of \$10.68/oz compared to \$12.23/oz in Q4-2020
- Revenue from Ag sales totalled \$8,025,122, a 16% decrease compared to Q4-2020, representing an average realized price of \$25.69/oz (Q4-2020-\$21.44/oz)
- ● Revenue was impacted by the Corporation's decision to hold higher ingot inventory of \$1,464,523 in consignment (\$63,811 in Q4-2020) due to lower Ag prices at year-end
 - These ingots were sold in Q1-2022
- Operating cash flow of \$2,088,055 in Q4-2021, a 40% decrease compared to \$3,484,673 in Q4-2020
- Ore processed of 65,855 tonnes in Q4-2021, an increase of 26% compared to the same period in 2020
- Milling operations reached 716 tpd, surpassing design capacity

2021 Operations Review

This year was dedicated to sustaining the operational improvements, methods, and capabilities realized during 2020. A number of new hires occurred during 2021, boosting the Zgounder workforce by more than 30%. Procedures, processes, mining and work methods continued to be refined and resulted in an average throughput of 716 tpd in Q4-2021, higher than the 670 tpd nameplate capacity of the two combined processing plants. Silver production in Q4-2021 reached 433,742 oz. For the year, the Corporation produced a record total of 1,600,646 Ag oz, a 120% increase from 2020.

The Corporation significantly changed its mining operations at Zgounder by moving from a shrinkage-stope mining method to a cut-and-fill method. Furthermore, increased mechanization began in 2021 with the introduction of the mine's first jumbo. The focus at the mine is on training employees in the new methods, equipment and tools as the Corporation scales up towards 2,700 tpd to support the planned expansion.

Capital Projects

Many capital infrastructure projects were completed in 2021 including a complete overhaul of the on-site roads, base camp, administrative buildings, electrical grid, on-site communications, surface water management, water retention and tailings facilities. A new assay lab was built and fitted with modern equipment, allowing the Corporation to double analysis capacity. Construction of the 60,000m³ water retention basin was completed, and filling of the basin began in March 2022.

The year also saw the completion of multiple mine and mill capital projects including refurbishment of the cyanidation plant, construction of a new underground explosive depot and the construction of two new mine portals. During Q4-2021, a new cone crusher at the flotation plant was installed and commissioned, which generated a 15% increase in throughput and a global milling rate of 716 tpd for the quarter.

Positive Feasibility Study for Zgounder

We announced a positive FS in February 2022 to expand the Zgounder Silver Mine from 700 tpd to 2,700 tpd capacity.

Highlights of the 2,000 tpd Expansion FS:

- Robust project economics (base case at \$22/oz Ag):
 - Before-tax 5% net present value ("NPV"): \$471 million
 - Before-tax internal rate of return ("IRR"): 57%
 - After-tax 5% NPV: \$373 million
 - After-tax IRR: 48%
 - Payback period: 1.7 years
 - Initial life of mine of 11 years
- Increased throughput expected to drive annual Ag production to 7.9Moz by 2024
- Annual revenue expected to increase from \$34 million in 2021 to \$172 million by 2024
- LOM all-in sustaining cost ("AISC")¹ of \$9.58/oz
- Low initial capital expenditures: \$139.4 million, including \$16.6 million in contingency cost
- First Ag pour planned in Q1-2024
- Further optimisation opportunities:
 - Exploration along strike and at depth
 - Potential to optimise the flow sheet during the front-end engineering design and the mine plan as part of the underground expansion
- Enhanced ESG plan: Reduction in water consumption and carbon emissions intensity

Zgounder Milestones

- Complete front-end engineering design in Q2-2022
- Construction start-up in Q3-2022
- New plant first Ag pour by Q1-2024
- Ongoing exploration with the aim of increasing reserves and resources and enhancing economics

2021 Successful Exploration Program

Zgounder

In 2021, a total of 55,449m of drilling was completed at Zgounder. The 2021 drill program had two objectives: increase the confidence level of the exploration target area identified in March 2021, and further extend mineralization in the eastern part of the deposit. The Corporation succeeded on both counts, extending the mineralized east-west strike from 775m to 1,100m in length and at depth. In December 2021 the Corporation published a resource update for the Zgounder deposit. Zgounder remains open with potential to expand existing resources at depth to the granite and through strike extensions to the east. Additional work will be completed to determine possible extensions to the west.

The updated mineral resource estimate incorporated 516 new drill holes (surface and underground combined) for 41,932m carried out on Zgounder between January and September 10, 2021. The mineral resource estimate formed the basis of the Corporation's maiden mineral reserve estimate in conjunction with the FS for the expansion of the Zgounder from 700 tpd to 2,700 tpd.

Further to the updated resource estimate, the FS reported by the Corporation in February 2022, included inaugural mineral reserves that were estimated by DRA Global Limited ("DRA") in accordance with the CIM Definition Standards for National Instrument 43-101 reporting. The Inferred material within the pit design was treated as waste.

¹ AISC is a non-IFRS measure and is calculated in accordance with the standard adopted by the World Gold Council.

Table 1 - Mineral Reserves and Resource for Zgounder

	Tonnes (k)	Grade (Ag g/t)	Content (Ag k oz)
Proven reserves	3,100	288	28,748
Probable reserves	5,490	239	42,128
P&P reserves	8,590	257	70,876
Measured resources (incl. reserves)	3,511	347	39,183
Indicated resources (incl. reserves)	6,254	283	56,874
M&I resources (incl. reserves)	9,765	306	96,057
Inferred resources	196	367	6,400

For more information, please refer to the Corporation's press release published on February 22, 2022, titled "Aya Gold & Silver Announces Robust Expansion Feasibility Study for Zgounder; Pre-Tax IRR of 57%, Payback Period of 1.7 Years".

Imiter bis

In 2021, the Corporation's initial fieldwork program on the Imiter bis project identified a north-south structure extending over four kilometers long. A drill exploration program was subsequently carried out consisting of 33 diamond drill ("DDH") for a total of 4,381m over four target areas (South Zone, Middle Zone, Northeast Zone, and Central Zone).

The geology and preliminary results indicate the presence of a low to neutral sulphidation Au-Ag epithermal system. The vein system of the main 4km structure is located close to a major contact between granodiorite and a wide mafic dyke. The 2021 drill exploration program confirmed continuity at depth with increasing widths in the Middle Zone. Preliminary results confirm the presence of both Au and Ag in the system. Hole IM-DD21-014 intercepted 1.8 g/t Au and 40.0 g/t Ag over 2.2m (part of a wider vein system intercepting 0.9 g/t Au and 19.6 g/t Ag over 8.8m). This intersection is located on the northern-most section drilled in the Middle Zone.

2022 Expanded Exploration Program

An initial exploration program of \$14 million has been set for 2022 for a total of 72,500m of drilling. Of these 72,500m, 22,500m of DDH will be completed on the Zgounder mining permit and 7,500m of RC drilling will be conducted on the Zgounder regional permits. The 22,500m drilling program will focus on designed to expand existing resources at depth and test strike extensions to the east.

The 10,000m DDH program scheduled at Imiter bis in 2022 will test new prospective areas defined by the airborne survey and follow-up on the Q4-2021 drill results.

At Boumadine, an initial 7,500m drill exploration program has been established to test priority areas identified by the spectral survey and historical drilling. These areas will be enhanced by targets generated by the upcoming airborne geophysics.

About Aya Gold & Silver Inc.

[Aya Gold & Silver Inc.](#) is a rapidly growing, Canada-based silver producer with operations in the Kingdom of Morocco.

The only TSX-listed pure silver mining company, Aya operates the high-grade Zgounder Silver Mine and is exploring its properties along the prospective South-Atlas Fault, several of which have hosted past-producing mines and historical resources. Aya's Moroccan mining assets are complemented by its Tijirit Gold Project in Mauritania, which is being advanced to feasibility.

Aya's management team has been focused on maximising shareholder value by anchoring sustainability at the heart of its operations, governance, and financial growth plans.

For additional information, please visit Aya's website at www.ayagoldsilver.com.

Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws. (President & CEO statements) @ayagoldsilver.com. Aya Gold & Silver Corp. Reporting Aya's Future Growth & Financial Prospects (including the timing and development of new deposits and the success of exploration activities) and other opportunities. Wherever possible, words such as

"growth", "optimize", "outlook", "guidance", "growth", "path", "enhance", "indicate", "potential", "expand", "drive", "expect", "increase", "plan", "opportunities", "optimize", "decrease", "extend", "indications", and similar expressions on statements that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, have been used to identify such forward-looking information. Specific forward-looking statements in this press release include, but are not limited to, statements and information with respect to the exploration and development potential of Zgounder and the conversion of inferred Mineral Resources into Measured and Indicated Mineral Resources, future opportunities for enhancing development at Zgounder, and timing for the release of the Company's disclosure in connection with the foregoing. Although the forward-looking information contained in this press release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Aya cannot be certain that actual results will be consistent with such forward-looking information. Such forward-looking statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions, and its expectations of future developments that management believe to be reasonable and relevant but that may prove to be incorrect. These assumptions include, among other things, the closing and timing of financing, the ability to obtain any requisite governmental approvals, the accuracy of Mineral Reserve and Mineral Resource Estimates (including, but not limited to, ore tonnage and ore grade estimates), silver price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, and courses of action. Aya cautions you not to place undue reliance upon any such forward-looking statements.

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The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of silver and other key inputs, changes in mine plans (including, but not limited to, throughput and recoveries being affected by metallurgical characteristics) and other factors, such as project execution delays, many of which are beyond the control of Aya, as well as other risks and uncertainties which are more fully described in Aya's 2020 Annual Information Form dated March 31, 2021, and in other filings of Aya with securities and regulatory authorities which are available on SEDAR at www.sedar.com. Aya does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this document should be construed as either an offer to sell or a solicitation to buy or sell Aya securities. All references to Aya include its subsidiaries unless the context requires otherwise.

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