

# **Aya Gold & Silver Reports Strong Cash Flow and Silver Production of 526,703 Ounces in Q2-2023**

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## Key Performance Metrics\*                      Q2-2023 Q2-2022 Variation

## Operational

Ore Mined (t)	103,231	62,221	66 %
Ore Processed (t)	72,190	59,995	20 %
Average Grade (g/t Ag)	265	273	(3 %)
Mill Recovery (%)	87.3 %	87.9 %	(<1%)
Silver Ingots Produced (oz)	202,559	219,762	(8 %)
Silver in Concentrate Produced (oz)	324,144	239,299	35 %
Total Silver Produced (oz)	526,703	459,061	15 %
Silver Ingots Sold (oz)	164,707	196,556	(16 %)
Silver in Concentrate Sold (oz)	287,816	242,524	19 %
Total Silver Sales (oz)	452,523	439,080	3 %
Avg. Net Realized Silver (\$/oz)	21.26	19.53	9 %
Cash Costs per Silver Ounce Sold <sup>(1)</sup>	10.98	10.95	<1%

## Financial

Revenue	9,621	8,574	12 %
Cost of sales	6,876	5,811	18 %
Gross Margin	2,745	2,763	(1 %)
Operating (loss)	(36)	506	(107 %)
Net Earnings (loss)	(525)	725	(172 %)
Operating Cash Flow	3,674	1,100	234 %
Cash and Restricted Cash <sup>(2)</sup>	52,109	67,945	(23 %)

## Shareholders

Earnings (Loss) per Share - basic	(0.00)	0.01	NM
Earnings (Loss) per Share - diluted	(0.00)	0.01	NM

(1,2) See footnotes (1, 2) on first page

## Second Quarter 2023 Financial &amp; Operational Highlights

- Quarterly silver production of 526,703 oz, comprising 324,144 oz in silver concentrate and 202,559 oz in silver bars
- Mill average feed grade of 265 grams per tonne ("g/t") Ag was reported in Q2-2023 compared to 273 g/t Ag in Q2-2022, a decrease of 3%.
- Milling operations reached 793 tonnes per day ("tpd"), surpassing design capacity of 700 tpd.
- Average combined mill recovery of to 87.3% in Q2-2023 compared to 87.9% in Q2-2022, a decrease of 0.6%.
- Plant availabilities reached 93.4% and 96.6% for the flotation and cyanidation plants, respectively.

- Cash flow generated by operating activities of \$3,674 in Q2-2023 compared to cash flow of \$1,100 in operating activities in Q2-2022.
- Revenue from silver sales totaled \$9,621 (Q2-2022 - \$8,574) in Q2-2023, an increase of 12% representing an average realized price of \$21.26/oz. (Q2-2022 - \$19.53/oz).
- Operations generated a gross margin of \$2,745 in Q2-2023, a 1% decrease compared to Q2-2022.
- Net loss for the quarter was \$(525) (diluted EPS of \$(0.00)) in Q2-2023, compared to net earnings of \$725 (diluted EPS of \$0.01) in Q2-2022.

### Q2-2023 Operations Review

In Q2-2023, Zgounder Mine operations focused on the ramp-up of the underground mine, completing mobilization of the open pit contractor and finalizing the open-pit definition drilling program. The 1,950m underground level is now fully operational, and access to the 1,925m level is in construction. Open-pit stripping commenced in June, and ore production occurred in July. A total of 103,231t of ore was mined and 72,190t was processed in Q2, adding over 30kt of ore in inventory, in line with the 2024 commissioning plan.

The quarter saw completion of the new emergency response and mine rescue station as well as on-site delivery of mine rescue equipment and an emergency vehicle. Consequently, training for the mine rescue and emergency response teams has been scheduled in the second half of the year. Over 4,075 hours of training have been dispensed year to date, a 150% increase compared to H1-2022 which reflects the Corporation's commitment to enhancing the health and safety culture at Zgounder.

### Zgounder Development

Construction of the plant and surface infrastructure continued to track on budget. At the end of Q2-2023, the mine expansion project was 45% complete, compared to 32% at end of Q1-2023.

Construction of the processing plant was 40% complete, with engineering near-complete and procurement well advanced. Earthworks were completed in the quarter, and most concrete foundations were poured. Delivery of several long-lead equipment items are expected on site in Q3-2023, including the ball mill.

Underground development continued to advance strongly in the quarter. Over 6,500m of lateral and ramp accesses have now been completed, representing 65% of the total lateral infrastructure. Most levels between 1,925m and 2,100m are now connected to the underground ramp. The main ventilation shaft has been completed, and installation of primary fans is planned for Q3-2023. To date, 253m of vertical raises have been completed, 42% of the total development. In June, the open pit contractor was mobilized, and open pit operations commenced. Overall, open pit and underground mine development are 47% advanced.

At quarter-end, construction of the tailing storage facility was progressing well and was 55% complete. The two water storage basins were 74% complete with only the lining installation remaining, in time before the rainy season. Other infrastructure, such as the camp, roads, workshops, and warehouses, were 55% completed. Finally, the power line and electrical substations progressed to 27% completion.

At the end of Q2-2023, \$132 million had been committed across all capital cost categories, and \$54 million had been incurred. The Aya project team remains confident of completing the project within the original budget of \$159 million including contingency.

The table below presents construction progress by main project area:

Area	Progress
Process Plant	40 %
Underground and Open-Pit Mines	47 %
Tailings	55 %
Water Management	74 %
Electrical Infrastructure	27 %
On-site Infrastructure	55 %

## Q2-2023 Exploration

### Zgounder

In Q2-2023, drilling at Zgounder focused on delineating near-mine targets both laterally and at depth. A total of 12,424m of DDH and reverse circulation ("RC") drilling was conducted on Zgounder in Q2-2023 (exploration and definition drilling) including T28 and YAK underground drilling. At quarter-end, two underground rigs were active on the property and the 26,000m underground DDH program was 17% complete. Given that the development of the 1,950m level is complete and the 1,925m level is near-complete, the exploration program is expected to be expanded in H2-2023.

Notably, surface RC drill hole ZG-RC-23-2260-70 intersected 1,611 g/t Ag over 27m including 4,771 g/t Ag over 5.0m, confirming ongoing high-grade mineralization in the open-pit area. Furthermore, hole ZG-23-02 returned 1,753 g/t Ag over 6.5m, defining high-grade mineralization from surface in the east outside of the resource envelope.

### Zgounder Regional

At the end of June 2023, a total of 8,582m had been drilled on the Zgounder Far West, Tala and Izza areas of the Zgounder Regional permits. Preliminary results released at the end of May returned anomalous Zn, Cu and Ag values that will be drill tested in parallel to new zones. Hole ZGW-22-06 in the Zgounder Far West intercepted 1.22% Zn over 85.5m including 1.91% Zn over 5.0m. In the Tala area, hole AM-22-001 intercepted 0.93% Cu over 6.0m including 1.27% Cu over 3.0m.

### Boumadine

Five drill rigs were active on the Boumadine property throughout the second quarter with a total of 31,395m drilled in H1-2023. The 2023 drill program, which was 85% complete at quarter-end, was completed in July. The aim of the infill and exploration drilling was to explore and extend the strike along the main trend in the Central and South Zones. In early July, results from Q2-2023 drilling were released, confirming the extension of the main trend mineralization by 400m to 3.8km in strike to the south with BOU-DD23-125, BOU-DD23-136 and BOU-DD23-142 intersecting high-grade mineralization in the form of massive sulphide veins.

In parallel, results from surface detailed mapping were received in Q2-2023 which identified a new at-surface northwest zone at Boumadine. The surface samples returned values up to 460 g/t Ag<sub>Eq</sub> along a 1.5km structure of N030 orientation, demonstrating the potential outside of the Boumadine Main Trend (see Figure 7). The mapping revealed two major sets of faulting events: a N030 faulting event that cross-cut Boumadine Main Trend (N340) and may be responsible for the Au-Zn enrichment of the mineralization; and a N070 fault event cutting both N340 and N070 structures which seem responsible for the Ag-Pb enrichment. A total of 127 surface grab samples were also taken, with 36 still pending results.

The quarter saw a first site visit by RSC Consulting Limited, which has been mandated to conduct a NI

43-101-compliant mineral resource estimate of Boumadine. Furthermore, an on-site sample preparation laboratory was commissioned on the project site, which will greatly improve sample turnaround times.

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

#### Acquisition of Tirzzit

On June 28, 2023, the Corporation acquired Tirzzit, a collection of seven permits located 25 km from the Zgounder Silver Mine in the Kingdom of Morocco.

The Corporation issued 622,728 of its shares at C\$8.36 (having a value of \$3.9M) and paid \$800,000 in cash for a total consideration of \$4.7 million. The assets acquired include the following:

- Seven permits, comprising five exploration permits and two mining licenses, one of which hosts a high-grade hist mine.
- A property totaling 67.7 square km.

The transaction remains subject to administrative procedures in the Kingdom of Morocco.

#### Q2-2023 Conference Call

The Corporation will hold a conference call today at 10 am EDT to discuss its Q2-2023 financial and operational results. The webcast can be accessed as follows:

- Via webcast: <https://app.webinar.net/PbIE8kG8eLX>
- Via URL entry: <https://emportal.ink/3NONQbo>  
To join the call without operator assistance, register and enter your phone number to receive an instant automate
- Via telephone: Local and international: (+1) 416-764-8650  
N. American Toll Free: 888-664-6383

You can also dial direct to be entered to the call by an operator. To ensure your participation, please call approximately five minutes prior to the scheduled start of the call.

The conference call and webcast will be available for replay by dialing (+1) 416-764-8677 or toll-free on 1-888-390-0541, entry code 370442 #. The conference call replay will expire on August 18, 2023.

The presentation slides will also be posted on Aya's website.

#### 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 is 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](http://www.ayagoldsilver.com).

#### Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflects management's expectations regarding Aya's future growth and business prospects (including the timing and development of new deposits and the success of exploration activities) and other opportunities. Wherever possible, words such as "will", "expect", "maintain", "achieve", "expand", "ramp-up", "plan", "as-planned", "tracking", "guidance", "potential", "deliver", "committed", "continue", "growth", "advance", "expected", "increase", and similar expressions or 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, executing on the planned expansion at the Zgounder mine, 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. 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 2022 Annual Information Form dated March 31, 2023, and in other filings of Aya with securities and regulatory authorities which are available on SEDAR at [www.sedar.com](http://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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