

Aya Gold & Silver Reports Third Quarter 2020 Financial Results

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Montreal, Nov. 13, 2020 - [Aya Gold & Silver Inc.](#) (TSX: AYA) (“Aya” or the “Corporation”) is pleased to announce its interim financial results for the third quarter ended September 30, 2020. All amounts are in US dollars unless otherwise stated.

Quarterly Highlights

- Production of 113,655 oz of silver
- Sales of 81,423 oz of silver
- 26,034 tons of ore processed at an average grade of 217 g/t Ag
- Average realized silver price of \$25.04/oz vs \$24.39/oz average silver spot price in the quarter
- Successful closing of a private placement offering of C\$26,225,000
- Launch of a feasibility study for the expansion of the Zgounder Silver Mine
- Commencement of 15,000-meter exploration program at Zgounder
- Ongoing maintenance program at flotation and cyanidation plants

“As expected, this was a transition quarter for Aya that sets the table for stronger operations in the coming quarters. Despite operational challenges, revenue grew by 14% compared to the same quarter in the prior year due to a favourable silver pricing environment. We are well positioned following our recently oversubscribed private placement to roll out our optimization plan, fund our exploration programs and complete the feasibility study to expand operations at the Zgounder Silver Mine,” said Benoit La Salle, President and CEO.

Key Performance Metrics	Three-month periods ended September 30	
	Q3-2020	Q3-2019
Operational		
Ore Processed (tons)	26,034	31,352
Average Grade (g/t Ag)	216.9	222.5
Mill Recovery (%)	62.6%	68.6%
Silver Ingots Produced (oz)	93,691	25,118
Silver in Concentrate for Sale Produced (oz)	19,964	153,841
Total Silver Produced (oz)	113,655	178,959
Silver Ingots Sold (oz)	81,423	33,831
Silver in Concentrate for Sale Sold (oz)	-	79,740
Total Silver Sales (oz)	81,423	113,571
Average Realized Silver Price per Ounce (\$/oz)	25.04	14.26
Financial		
Revenues	1,748,191	1,533,754
Operating (Loss)	(1,597,495)	373,306
Net (Loss) Earnings	(1,784,504)	345,242
Operating Cash Flows	(1,411,976)	26,309
Cash and Restricted Investments	31,082,155	16,089,403
Change in Working Capital	(887,213)	(779,101)

Shareholders

(Loss) Earnings per Share (“EPS”) – basic & diluted (0.021) 0.004

Financial Highlights Q3-2020 vs Q3-2019

- In the third quarter, revenue from silver sales totaled \$1,748,191 (Q3-2019 – \$1,533,754). More silver was produced than sold in the quarter as a result of shipment delays due to COVID-19 and lower silver prices.
- Net loss for the quarter was \$1,784,504 (EPS of (\$0.021)), compared to a net gain of \$345,242 (EPS of \$0.004) for the same period of 2019. Net loss for the quarter was attributable to the vesting of share purchase options yielding an expense of \$2,404,283. Excluding this non-cash expense, the net gain would have been \$619,779.
- Operations generated a gross margin of \$185,387 compared to \$413,250 in Q3-2019.
- Comprehensive loss for the quarter of (\$1,952,103), compared to \$(211,017) in the same quarter of last year. Most of this loss is attributable to a foreign currency translation adjustment loss of \$167,599 compared to a foreign currency translation adjustment loss of \$556,259 in Q3-2019.
- Cash flows used by operating activities for the quarter of (\$1,411,976), compared to \$26,309 used in operating cash flows for Q3-2019.
- Cash and restricted investments of \$31,082,155 as at September 30, 2020 compared to \$16,089,403 at September 30, 2019.

Zgounder Silver Mine

In the quarter, the Zgounder Silver Mine dealt with a number of operational challenges that have since been fixed including a temporary ball mill shutdown at the flotation plant for five weeks. As a result, availability of the concentrator reached 69.7% with silver recovery of 62.6%. Silver grade feed to the mill was 217 g/t Ag compared to 222 g/t Ag in Q3-2019. COVID-19 continues to impact our operations, limiting movement within the country and making it difficult to bring contractors to site. This situation will persist until the pandemic is controlled.

A new operational management team arrived on site in the first week of September. The on-site team is implementing new human resource, operations, health and safety and maintenance plans. Seven key new hires were made with an additional four hires before year-end.

The 12-month maintenance plan includes significant repair of mining equipment, tailings facilities, living quarters, flotation plant, cyanidation plant and surrounding infrastructure, to improve and optimize operations. Once completed, we expect production to increase to one million ounces of silver annually. Management plans to announce 2021 guidance in parallel with its 2020 year-end financial results.

The initial phase of the plan involved fixing and upgrading the tailings facilities. Accordingly, water diversion canals were constructed in the quarter to prevent spillover during the rainy season, which begins in mid-November and lasts until the end of January. In addition, improvement of the employee base camp began in the quarter and is expected to be completed at the end of Q1-2021. The well-being of our employees, along with the new realities of the COVID-19 pandemic, made the refurbishment of the employee base camp a priority. To date, no cases of COVID-19 have been reported at the mine site.

Finally, work has commenced on both the flotation plant and the cyanidation plant. The flotation plant ball mill was the first critical piece of equipment repaired in Q3-2020. The ball mill repairs lowered production at the flotation plant during the quarter, but the cyanidation plant continued to treat concentrate that was in inventory. Additionally, our current mining equipment will undergo major repairs. New parts have been ordered, and we are awaiting their delivery to begin maintenance work.

Zgounder Exploration

On July 14, the Corporation announced a 15,000-meter exploration drilling program at the Zgounder Silver Project. The goal of the program is to increase and further define resources within the east zone of the deposit and to confirm and define mineralization below the current underground mine. Drilling at the mine

started on September 19, 2020 with two drilling contractors. Four diamond drills (DDH) are currently operating at surface, and two electric drills operating within the mine. The Corporation is also using localized definition drilling using T28 Jackleg drills (T28) to improve the definition.

As of October 31, 2020 the Corporation had completed 7,225 meters of DDH and 428 meters of T28 drilling. African Laboratory for Mining and Environment (Afrilab) is responsible for sample preparation and analysis, while ALS S?ville is acting as the check laboratory. Initial exploration results are expected before year-end.

Boumadine Polymetallic Project

Drilling at the property was halted in Q2-2019. The next step for the Boumadine project is to carry out metallurgical test work with the goal of improving gold, zinc and lead recovery. Sampling is currently underway to support the metallurgical test work.

Azegour, Amizmiz, Toulkine Properties

As of September 2, 2020, the Corporation has received mining permits for each property. The permits for the Toulkine and Amizmiz properties expire on May 16, 2029, while the expiration date for the Azegour property is June 1, 2030. All the permits are renewable after the initial term.

An exploration program for these properties will be determined by year-end.

About Aya Gold & Silver Inc.

[Aya Gold & Silver Inc.](#) is a publicly traded Canadian company focused on the operation, exploration, acquisition and development of silver and gold deposits. AYA is currently operating mining and milling facilities at its Zgounder Silver Mine, an 85%-15% joint venture between its subsidiary, ZMSM, and the Office National des Hydrocarbures et des Mines (ONHYM) of the Kingdom of Morocco.

Its mining portfolio also includes the Boumadine polymetallic deposit located in the Anti-Atlas Mountains of Eastern Morocco which is also a joint venture with ONHYM wherein AYA retains an 85% ownership. Additionally, the Corporation's portfolio includes the Amizmiz and Azegour properties, both being 100% owned, with gold, tungsten, molybdenum and copper occurrences covering over 100 square kilometres in a historical mining district of Morocco.

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

Or, contact:

Benoit La Salle, FCPA FCA	Alex Ball
President & CEO	Corporate Development & IR
Tel: +1 (514) 951-4411	Tel: +1 (647) 919-2227
benoit.lasalle@ayagoldsilver.com alex.ball@ayagoldsilver.com	

Forward-Looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities legislation. All information contained herein that is not clearly historical in nature may constitute forward-looking information. Generally, such forward-looking information can be identified by the use of forward-looking terminology such as "strong", "grow", "continue", "roll-out", "fund", "expect", "increase", "will", "continue", "provide", "present", "reasonable", "established", "has", "demonstrate", "potential", "expect" or variations of such words and phrases or state that certain actions, events or results "may", "could", "would" or "might". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to: (i) volatile stock price; (ii) the general global markets and economic conditions; (iii) the possibility of write-downs and impairments; (iv) the risk associated with exploration, development and operations of mineral deposits including the accuracy of the current mineral reserve and mineral resource estimates of the Corporation (including, but not limited to, ore tonnage and ore grade estimates) and mine plans for the Corporation's mining operations (including, but not limited to, throughput and recoveries being affected by metallurgical characteristics); (v) the risk associated with establishing title to mineral properties and assets including permitting, development, operations and production from the Corporation's operations being consistent with expectations and projections; (vi) fluctuations in commodity prices and other risks and factors described or referred to in the section entitled "Risk Factors" in the MD&A of the Corporation and which is available at www.sedar.com, all of which should be reviewed in conjunction with the information found in this news release

Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking information. Such forward-looking information has been provided for the purpose of assisting investors in understanding the Corporation's business, operations and exploration plans and may not be appropriate for other purposes. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is given as of the date of this press release, and the Corporation does not undertake to update such forward-looking information except in accordance with applicable securities laws.

Attachment

- Aya Q3 2020 results final

Alex Ball Aya Gold & Silver Inc. 1 (647) 919-2227 alex.ball@ayagoldsilver.com

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