

Aya Gold & Silver Continues Turnaround Plan with Strong Quarterly Silver Production and Record Operating Cash Flow

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MONTREAL, May 13, 2021 - [Aya Gold & Silver Inc.](#) (TSX: AYA) ("Aya" or the "Corporation") is pleased to announce another quarter with record operating cash flow of \$4.2 million for the quarter ended March 31, 2021. All amounts are in US dollars unless otherwise stated.

Q1 2021 Operational and Financial Highlights

- Silver production of 389,132 ounces ("oz") in Q1 2021, a 481% increase from Q1 2020
- Silver sales of 352,019 oz in Q1 2021, a 1,568% increase from Q1 2020
- Revenue of \$8.5 million in Q1 2021, a 1,527% increase from Q1 2020
- Operating cash flow for the period of \$4.2 million, a 4,416% increase from Q1 2020
- Ore processed of 48,472 tonnes ("t") in Q1 2021, a 131% increase from Q1 2020
- Mill recovery of 82.8% in Q1 2021, an 82% increase from Q1 2020
- Average throughput of 538 tonnes per day ("tpd") in Q1 2021, representing 80% of nameplate capacity
- Six drill rigs turning on Zgounder with two additional rigs expected shortly
- Zgounder expansion feasibility study progressing well, on track for completion at year-end 2021
- Healthy balance sheet with \$31.8 million of cash, cash equivalents and restricted cash

Corporate Highlights

- Issuance of 2,133,333 shares for the purchase of Algold Resources Ltd. secured debt for a total consideration of \$10 million
- Addition to the Global X Silver Miners ETF (SIL) at end of April 2021

"We continued to reinforce the strong fundamentals established at the end of 2020 to improve overall recovery rates, plant availability and approach nameplate capacity. We finished the quarter with a very healthy balance sheet, after generating record operating cash flow for a second consecutive quarter. We will continue capital improvement initiatives at Zgounder that will not affect silver production while we evaluate exciting exploration opportunities in our project portfolio," said Benoit La Salle, President & CEO.

Q1 2021 Highlights

Key Performance Metrics	Three-month period ended		
	March 31,		
	2021	2020	%
			Variation
Operational			
Ore Processed (tonnes)	48,472	20,976	131%
Average Grade (g/t Ag)	296	223	33%
Mill Recovery (%)	82.8%	45.6%	82%
Silver Ingots Produced (oz)	190,621	51,172	273%
Silver in Concentrate for Sale Produced (oz)	198,511	15,833	1,154%
Total Silver Produced (oz)	389,132	67,005	481%
Silver Ingots Sold (oz)	162,500	21,110	670%
Silver in Concentrate for Sale Sold (oz)	189,519	-	NM
Total Silver Sales (oz)	352,019	21,110	1,568%
Financial			
Revenues	8,541,273	525,062	1,527%
Cost of Sales and Net Profit Interest	3,963,251	566,946	599%
Gross Margin	4,578,022	(41,884)	(11,030%)
Operating Income (Loss)	2,458,478	(776,631)	(417%)
Net Earnings (Loss)	819,670	(435,733)	(288%)
Operating Cash Flows	4,223,564	93,531	4,416%
Cash and Restricted Investments Cash	31,820,687	14,831,283	115%
Change in Working Capital Items	1,511,019	680,621	122%
Shareholders			
Earnings (Loss) per Share ("EPS") - basic	0.009	(0.005)	

Q1 2021 Exploration Highlights

Following the completion of a 19,300-meter ("m") exploration program in 2020, an updated mineral resource statement for Zgounder was compiled together with drilling results from 2018 and 2019. In addition to M&I mineral resources increasing to 44.4 million oz of silver, an exploration target of 3-6 million tonnes grading 190-295 g/t silver or an additional 20-60 million silver oz was established for Zgounder at depth and along lateral extensions. The exploration target was derived from a larger mineralized envelope including all mineral intersects while excluding the mineral resources reported.

The focus of exploration in the first quarter was the exploration target where over 10,000 m of drilling was carried out as part of the 35,000 m exploration program on the Zgounder mine permit. Currently, there are six drill rigs operating on Zgounder, four from surface and two within the mine, with two additional rigs expected on site shortly. Additionally, first-ever ground MAG and IP surveys were carried out on Zgounder during the period. Compilation is now in progress in order to create a geological and geophysical interpretation of the Zgounder property.

In the quarter, preliminary desk work began on the Amizmiz, Azegour and Imiter bis exploration properties. Exploration field work is expected to commence in Q2 2021. A total of 9,000 m of exploration drilling has been scheduled on the properties in 2021.

Q1 2021 Operations Ramp-up

Mining operations continued to ramp up with 42,126 t of ore blasted in Q1 2021 compared to 28,101 t in Q4 2020, representing a 50% increase from the previous quarter. The transition in mining method from shrinkage to cut-and-fill stoping progressed as planned.

Silver recovery for the flotation plant improved to 81.9% in Q1 2021 from 80.5% in Q4 2020. The cyanidation plant also saw silver recoveries improve to 83.7% in Q1 2021 compared to 79.5% in Q4 2020.

Q1 2021 Operations Support

A number of capital investment projects are in progress with a view to supporting the 2021 production guidance and fuelling growth. These include three additions to the mining fleet and the construction and commissioning of a 60 m underground access and loading dock, the latter to increase ore extraction and to reduce ore handling. Additionally, construction of a water storage basin is almost complete. Refurbishing of the cyanidation plant has also begun, and a gyratory crusher has been delivered on site for installation in the coming months.

During the quarter, key hires in the areas of mining, maintenance, health and safety, and community relations were made to further strengthen the operations team.

Zgounder Development

In August 2020, the Corporation launched a feasibility study for the expansion of its Zgounder Silver Mine. To date, the study is progressing well: several trade-off studies are already complete, the geo-technical fieldwork is underway and all other major deliverables on schedule for completion by year-end 2021.

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, Zgounder Millenium Silver Mining SA, 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 in the center of the historical mining district of Morocco.

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 ("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 "plans", "expects", "does not expect", "scheduled", "trends", "indications", "potential", "estimates", "predicts", "anticipate", "to establish", "does not anticipate", "believe", "intend", "ability to" 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, 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 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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