

# Aya Gold & Silver Reports Record Cash Flow in Q3-2023

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## On Track for Strong Year

MONTREAL, Nov. 14, 2023 - [Aya Gold & Silver Inc.](#) (TSX: AYA) (OTCQX: AYASF) ("Aya" or the "Corporation") is pleased to announce interim financial and operational results for the third quarter ended September 30, 2023. All amounts are in US dollars unless otherwise stated.

## Q3-2023 Highlights

### Operational and Financial:

- Excellent operational performance:
  - Silver production of 519,085 ounces ("oz") in Q3-2023, a 15% increase from Q3-2022
  - Recovery was 86.6% in Q3-2023, compared to 86.2% in Q3-2022
  - 70,258 tonnes ("t") of ore were processed in Q3-2023 compared to 69,697t in Q3-2022
- Revenue of \$11.7 million in Q3-2023, a 63% increase from Q3-2022
- Cash cost of \$10.73 per oz in Q3-2023 compared to \$14.03 per oz in Q3-2022 <sup>(1)</sup>
- Operating cash flow of \$7.7 million in Q3-2023, a 35% increase compared to Q3-2022
- Robust financial position with \$71 million of cash, cash equivalents and restricted cash <sup>(2)</sup> compared to \$42 million at December 31, 2022
- Ranked 14th on the 2023 TSX30 as a top-performing stock with a 3-year share appreciation of 498%

### Exploration and Development:

- Conducted 4,675 meters ("m") of drilling at Zgounder in Q3-2023
  - Expanded 2023 drill program by 3,000m to 29,000m
- Completed 1,923m of DDH on Zgounder Regional, including 830m on Tourchkal:
  - Expanded 2023 6,700m DDH program to 14,000m
  - Acquired 4 Zgounder Regional permits totaling 62.6 km<sup>2</sup>, boosting Zgounder total land package to 425km<sup>2</sup>
- Doubled the 2023 DDH program at Boumadine to 76,000m with the aim of carrying out infill drilling and extending the strike:
  - Completed 52,400m of the 76,000m DDH program, extending the open-ended strike by 400m to 4.2 kilometers ("km")
  - Acquired adjacent permit
- Reviewed drill and geophysical data at Tirzzit to inform Q4-2023 fieldwork

### Zgounder Expansion:

- Overall project 60% complete and tracking on budget
- Underground development on track, with 76% of lateral and 65% of vertical development completed
- Completed the water storage facilities and advanced the new tailings facilities on schedule
- Received ball mill on site and mobilised contractors for its assembly
- Drew down \$35 million from project facility for Zgounder Mine expansion

(1) The Corporation reports non-GAAP measures, which include cash costs per silver ounce and free cash flow, 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 pages 16-17 of the Corporation's Q3-2023 MD&A for a reconciliation of non-GAAP to GAAP measures.

(2) Non-GAAP Measures, consisting of cash and cash equivalents of \$50,609,505 and restricted cash of \$20,562,506.

Environmental, Social and Governance:

- Commissioned the mine rescue station and provided Phase I training to teams
- Roll-out of community program in collaboration with local authorities:
  - Provided medical and logistical support to survivors of Al Haouz earthquake in the Taroudant region
  - Health - conducted first ear, nose and throat clinic and third phase of diabetes clinic
  - Water access - launched program in 6 villages
  - Livelihood projects - planted saffron and set up irrigation within the community farm

"The third quarter was an exceptional quarter from an operational perspective that sets us up for another record year. Zgounder delivered one of its best silver production quarters at industry-low cash costs and generated record cash flow," said Benoit La Salle, President and CEO. "Based on our performance to date, we are well-positioned to exceed our 2023 guidance, notably our production guidance for a third consecutive year.

We continue to develop and grow our project pipeline and to execute on our expansion plan, which is now about 66% complete and on budget. Drilling at Zgounder reconfirmed continuity of high-grade mineralization both at surface and underground. Further, high-grade drill results at Boumadine extended the strike of the main trend which remains open in all directions. These results will be included in our Q1-2024 resource estimate and underpin our focus to grow ounces on a per share basis.

These excellent quarterly results highlight the dedication and commitment of our local teams, particularly in the context of the devastating Al Haouz earthquake."

#### Q3-2023 Operational and Financial Highlights

## Key Performance Metrics\* Q3-2023 Q3-2022 Variation

### Operational

Ore Mined (tonnes)	132,998	74,009	80 %
Ore Processed (tonnes)	70,258	69,697	1 %
Average Processed Grade (g/t Ag)	261	232	13 %
Mill Recovery (%)	86.6 %	86.2 %	(0.4 %)
Silver Ingots Produced (oz)	195,913	184,629	6 %
Silver in Concentrate Produced (oz)	323,172	267,052	21 %
Total Silver Produced (oz)	519,085	451,681	15 %
Silver Ingots Sold (oz)	205,043	174,243	18 %
Silver in Concentrate Sold (oz)	338,940	245,517	38 %
Total Silver Sales (oz)	543,983	419,760	30 %
Avg. Net Realized Silver (\$/oz)	21.53	17.12	26 %
Cash Costs per Silver Ounce Sold <sup>(1)</sup>	10.73	14.03	(24 %)

### Financial (in '000s of US dollars)

Revenue	11,714	7,187	63 %
Cost of sales	5,531	6,413	(14 %)
Gross Margin	6,183	774	699 %
Operating (loss)	3,652	(1,329)	(375 %)
Net Earnings (loss)	1,206	672	79 %
Operating Cash Flow	7,724	5,701	35 %
Cash and Restricted Cash <sup>(2)</sup>	71,173	58,059	23 %

### Shareholders

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

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

### Third Quarter 2023 Financial & Operational Highlights

- Quarterly silver production of 519,085 oz, comprising 323,172 oz as silver concentrate and 195,193 oz as silver ingots.
- Mill average feed grade of 261 grams per tonne ("g/t") Ag was recorded in Q3-2023 compared to 232 g/t Ag in Q3-2022, an increase of 13%.
- Milling operations reached 764 tpd
- Average combined mill recovery of 86.6% in Q3-2023 compared to 86.2% in Q3-2022, an increase of 0.4%.
- Availabilities at the flotation and cyanidation plants reached 91.9% and 95.6%, respectively.

- Cash flow generated by operating activities of \$7.7 million in Q3-2023, compared to \$5.7 million generated in operating cash flow in Q3-2022.
- Revenue from silver sales totaled 11.7 million (Q3-2022 - \$7.2 million) in Q3-2023, an increase of 63% representing an average realized price of \$21.53 per oz. (Q3-2022 - \$17.12/oz).
- Operations generated a gross margin of \$6.2 million in Q3-2023 compared to \$774,000 in Q3-2022, an increase of 699%.
- Net profit was \$1.2 million (diluted EPS of \$0.01) in Q3-2023, compared to net earnings of \$672,000 (diluted EPS of \$0.01) in Q3-2022.

### Q3-2023 Operations Review

In Q3-2023, the Zgounder operations team focused on the ramp-up of the open pit, which reached 409 tpd of ore in September 2023. Underground production was steady, and mining production for the quarter averaged 1,446 tpd, for a total of 132,998t of ore.

The 1,950m underground level is now fully operational, and access to the 1,925m level was completed during the quarter. The open pit is now in full production and will be further ramped up after the mill is operational.

In Q3-2023, 70,258t of ore were processed, adding over 63kt of ore to inventory, in line with the 2024 commissioning plan. Steady throughput, recovery and availability of both plants resulted in total silver production of 519,085 oz. Combined silver recovery was 86.6%, while combined mill availability reached 93.7%. The mill feed grade averaged 261 g/t Ag in the quarter.

The quarter also saw commencement of an intensive training program for the mine rescue and emergency response team. By Q1-2024, Zgounder is expected to have a significantly improved response capacity and to be fully operational by Q3-2024. Year to date, the training hours at Zgounder, which have more than doubled every year since 2021, totaled over 7,800 as of quarter-end.

### Zgounder Development

On February 22, 2022, the Corporation completed a feasibility study to expand the Zgounder Silver Mine from 700 tpd to 2,700 tpd capacity. At the end of Q3-2023, construction of the plant and surface infrastructure continued to track budget. Overall, the expansion project was 60% complete, compared to 45% at last quarter-end.

At the end of Q3-2023, construction of the processing plant was halfway through, with detailed engineering near-complete and procurement well advanced. Several long-lead items were delivered on site in Q3-2023, including the ball mill, thickener steel structures, the intensive leach reactors, and the crusher circuit equipment. Installation of the leach reactors also commenced.

Underground development progressed to plan in Q3-2023. Over 7,145m of lateral and ramp accesses have now been completed since January 2022, representing 76% of the planned lateral infrastructure. Most levels between 1,925m and 2,100m are now connected to the underground ramp. The main ventilation was also commissioned. To date, two of the three ore chutes have been completed, and the second ventilation shaft has begun. In June 2023, the open pit contractor was mobilized, open pit operations commenced, and ore was mined as planned. Overall, open pit and underground mine development were 65% completed.

At quarter-end, construction of the tailing storage facility was progressing well and was 86% complete. The two water storage basins were 100% completed. Other infrastructures, such as the camp, roads, workshops, and warehouses, were 55% completed. Furthermore, the powerline and electrical substations progressed to 48% completion.

At the end of Q3-2023, \$138 million had been committed across all capital cost categories, and \$91 million had been incurred. The Aya project team continues to remain 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	50 %
Underground and Open-Pit Mines	65 %
Tailings	86 %
Water Management	91 %
Electrical Infrastructure	48 %
On-site Infrastructure	60 %

#### Q3-2023 Exploration

##### Zgounder

A total of 4,675m of DDH was completed on the near-mine permits in Q3-2023, of which 2,219m were completed by two rigs from surface. Two underground drill rigs were also mobilized in the quarter, conducting a total of 2,456m of DDH laterally and at depth. The underground program has been designed to explore the down-plunge potential of the Zgounder mineralized system toward the granite, to extend known mineralization, and to expand mineral resources.

The open-pit area near the east continued to return high-grade results in the quarter including ZG-RC-23-2230-212, which intercepted 2,812 g/t Ag over 8m; ZG-RC-CT7-P63-23-63, which intercepted 2,227 g/t Ag over 7.0m; and ZG-RC-C3-23-25 which intercepted 480 g/t Ag over 17m.

In the quarter, the 2023 drill program on Zgounder was expanded by 3,000m to 29,000m. The additional program will follow up early 2023 surface results east of the deposit and the reverse-circulation ("RC") results in the southern part of the open pit.

##### Zgounder Regional

In Q3-2023, 1,923m of DDH were drilled on Zgounder Regional, including 830m on the Tournchal area. One drill rig is currently active at Zgounder Regional as part of its 2023 expanded drill program, which now totals 14,000m.

The additional 7,300m in the 2023 regional program will be used to test the potential continuation of the Zgounder deposit east of the granophyre; to test the southern contact of the rhyolite; and to test a new target in the Tournchal area showing silver grab samples and stream anomalies

Four new permits located about 25km east of Zgounder were acquired during the period as part of a reallocation of exploration permits by the Moroccan Directorate of Mines. As a result, the total Zgounder land package now totals 425 km<sup>2</sup>.

##### Boumadine

Following successful completion of the initial program in July, the 2023 drill program on Boumadine was more than doubled to total 76,000m DDH.

As a result, six drill rigs were mobilized on the Boumadine property through Q3-2023 with the aim of conducting infill and exploring along strike including on new targets. In mid-September, drilling results were

released, extending the main trend mineralization by 400m to 4.2km to the south with BOU-DD23-143, BOU-DD23-161 and BOU-DD23-168 demonstrating continuity.

The north area returned high-grade intersections, which expand the mineralization both at depth and to the north, with section 5400N to the south also extending Boumadine Main trend. At quarter-end, the drilling program was 69% complete and on track for completion in December 2023.

In parallel, the Corporation announced acquisition of a 16 km<sup>2</sup> exploration permit east of Boumadine as part of a reallocation of exploration permits by the Moroccan Directorate of Mines.

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.

### Q3-2023 Conference Call

The Corporation will hold a conference call on November 16, 2023 at 10 am EST to discuss its Q3-2023 financial and operational results. The webcast can be accessed as follows:

- Via webcast: <https://app.webinar.net/b70rp7Wpvxm>
- Via URL entry: <https://emportal.ink/3FzejG8>  
To join the call without operator assistance, register and enter your phone number to receive an instant automated call back.
- 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 95470 #. The conference call replay will expire on November 23, 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 "exceed", "continue", "expected", "improve", "track", "confident", "will", "plan", "guidance", "continue", 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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