MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED SEPTEMBER 30, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis ("MD&A") of the operations, results, and financial position of Aya Gold & Silver Inc. ("Aya") (formerly Maya Gold and Silver Inc.) and its subsidiaries (together the "Corporation"), dated November 13, 2020, covers the quarter ended September 30, 2020 and should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and related notes for the quarter ended September 30, 2020.

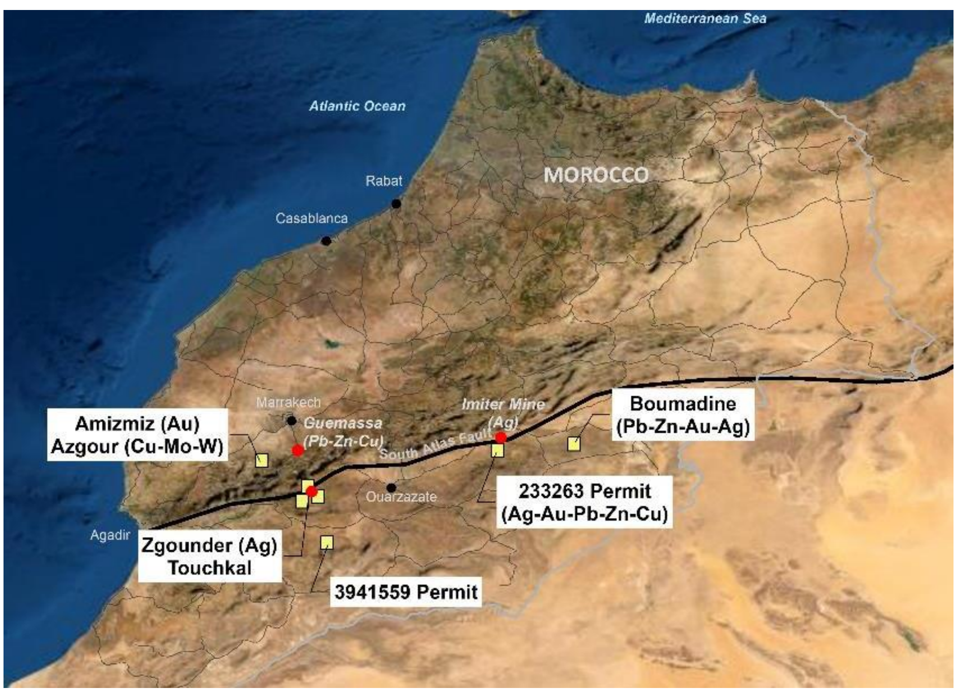
The Corporation's September 30, 2020, condensed interim consolidated financial statements and the financial information contained in this MD&A have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. All financial results presented in this MD&A are expressed in United States dollars unless otherwise indicated.

This MD&A contains forward-looking information that is subject to risk factors set out in a cautionary note in this MD&A under "Cautionary Statement Regarding Forward-Looking Information". All information contained in the Corporation's condensed interim consolidated financial statements and this MD&A is current and has been reviewed by the Audit Committee and approved by the Corporation's Board of Directors as of November 13, 2020, unless otherwise stated.

DESCRIPTION OF THE BUSINESS

Aya Gold & Silver Inc. is a Canadian based precious metals mining company which focuses on the exploration, development, production and acquisition of precious metals mining projects. The Corporation is concentrated on producing silver and exploration activities at its flagship project, the Zgounder property. Aya owns 85% of Zgounder Millenium Silver Mine S.A ("ZMSM"), which owns the Zgounder property. The Corporation also owns 85% of the Boumadine polymetallic project and owns the permits related to the Amizmiz and Azegour properties. All these properties are located in the Kingdom of Morocco.

Aya was incorporated under the Canada Business Corporations Act; its financial year-end is December 31, and it trades on the Toronto Stock Exchange under the symbol "AYA". Aya's issued and outstanding share capital totals 92,181,714 common shares on November 13, 2020. In January 2019, the Corporation declared commercial production of the first phase of the Zgounder Mine. All projects other than the Zgounder project are at the exploration and evaluation stage.



Q3-2020 HIGHLIGHTS

COVID-19 Pandemic Impact

The Corporation's operations in Morocco during the third quarter were impacted by the COVID-19 pandemic. As before, the main issue is the movement of personnel and contractors to and from the site given the mandatory national quarantine restrictions in the country. The Corporation has maintained operations, but no major repairs or maintenance activities requiring the help of outside contractors have been performed outside those discussed further in this MD&A. Drilling and exploration activities restarted in September. As the situation regarding the COVID-19 pandemic is uncertain, the Corporation is unable to determine the impact on the remainder of its 2020 operations. Since the beginning of the pandemic, the Corporation has seen two separate cases of COVID-19 at its administrative office in Casablanca with no COVID-19 cases on site or at its head office.

Financing

On September 3, 2020, the Corporation closed its underwritten private placement offering has issued 12,488,095 units of the Corporation (the "Units") at a price of CA$2.10 per Unit for gross proceeds of CA$26,225,000 ($20,016,468) (the "Offering"). Each Unit consists of one common share in the Corporation (each a "Common Share") and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant shall be exercisable for one Common Share at an exercise price of CA$3.30 until September 3, 2023. The private placement was completed with Desjardins Capital Markets acting as the lead underwriter of a syndicate of underwriters including Sprott Capital Partners, Beacon Securities Limited and Raymond James Ltd. In addition, 604,186 broker warrants with an exercise price of $CA2.29 until September 3, 2023 were issued as part of the private placement. The Corporation paid a total of $1,582,625 in commissions, legal and filing fees and other fees.

Feasibility Study for Zgounder Silver Mine

On August 6, the Corporation announced it had launched a feasibility study for the expansion of its Zgounder Silver Mine in Morocco in partnership with Montreal-based DRA Met-Chem, a division of DRA Global Ltd ("DRA"). The objective of the feasibility study is to determine the feasibility of significantly increasing throughput of the mine and plant, with a preliminary target of 2,000tpd producing between 4-5 million ounces of silver per year. This target will be further defined in the coming months and is consistent with internal resource growth assumptions. Management expects to be able to deliver the results of the feasibility study in Q4-2021.

Site Operational Changes

In September, the Corporation obtained authorisations from the Canadian and Moroccan governments to send expatriate employees and contractors to Morocco. At the end of the third quarter, two senior managers, an acting general manager and a mine site controller were on site along with our senior geologist, the Corporation's qualified person ("QP"). These three individuals, along with key local hires, enable the Corporation to diagnose ongoing operations. Management plans to carry out a full evaluation by the end of the year and for the Corporation to be able to announce 2021 guidance in parallel with its 2020 year-end financial results.

Operational Highlights Q3-2020

- Production of 93,691 ounces ("oz") of silver ingots (Q3-2019 – 25,118 oz).
- Production of silver concentrate for sale of 19,964 oz compared to 153,841 oz in Q3-2019.
- Silver sales totaled 81,423 oz (Q3-2019 – 113,572 oz), a decrease of 28% compared to the third quarter of 2019.
- Ore processed of 26,034 tons ('t') (Q3-2019 – 31,352 t), a decrease of 17% compared to the same quarter last year.
- Feed ore to the mill was 216.9 grams per ton silver ("g/t Ag") (Q3-2019 – 222.5 g/t Ag).
- Cost of sales of $1,562,804 (Q3-2019 – $1,035,057).
- Average realized silver price of $25.04/oz (Q3-2019 – $14.26/oz), compared to an average silver spot price of $24.39/oz (Q3-2019 - $17.02/oz).

	Three-month periods ended September 30,		
Key Performance Metrics	**Q3-2020**	**Q3-2019**	**% Variation**
Operational			
Ore Processed (tons)	26,034	31,352	(17%)
Average Grade (g/t Ag)	216.9	222.5	(3%)
Mill Recovery (%)	62.6%	68.6%	(9%)
Silver Ingots Produced (oz)	93,691	25,118	273%
Silver in Concentrate for Sale Produced (oz)	19,964	153,841	(87%)
Total Silver Produced (oz)	**113,655**	**178,959**	**(36%)**
Silver Ingots Sold (oz)	81,423	33,831	141%
Silver in Concentrate for Sale Sold (oz)	-	79,740	(100%)
Total Silver Sales (oz)	**81,423**	**113,571**	**(28%)**
Average Realized Silver Price per Ounce ($/oz)	25.04	14.26	76%
Financial			
Revenues	1,748,191	1,533,754	14%
Gross Margin	185,387	413,250	(55%)
Operating (Loss)	(2,117,947)	373,306	(667%)
Net (Loss) Earnings	(1,784,504)	345,242	(617%)
Operating Cash Flows	(1,329,241)	26,309	(5152%)
Cash and Restricted Investments	31,082,155	16,089,403	93%
Change in Working Capital	(887,213)	(779,101)	14%
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.
- Cash flows used by operating activities for the quarter of ($1,329,241), 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 on September 30, 2019.

OPERATING RESULTS

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 of the flotation plant for five weeks. As a result, availability of the concentrator reached 69.7% with silver recovery of 62.6% compared to 85% for the same quarter last year. 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 in Morocco.

A new operational management team arrived on site in the first week of September. The on-site management 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 improving the tailings facilities. Accordingly, water diversion canals were constructed in the quarter to prevent overflow 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 base camp a priority. As of the date of this MD&A, 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 during 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 Silver Mine Exploration

On July 14, the Corporation announced a 15,000-meter drilling program at the Zgounder Silver Project. The goal of the program is to increase and further define resources from the east zone of the deposit, and to confirm and define mineralisation below the current underground mine. Drilling at the mine started on September 19, 2020 with two separate 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, 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 prep and analysis, while ALS Séville is acting as check laboratory. Initial exploration results are expected before year-end.

Figure 1 – geologists on site

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 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 permits are renewable after the initial term.

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

OVERVIEW OF FINANCIAL PERFORMANCE

For the three-month and nine-month periods ended September 30, 2020 and 2019 (in dollars):

	Three-month periods ended September 30, 2020	2019	% Variance	Nine-month periods ended September 30, 2020	2019	% Variance	
Revenues	**1,748,191**	**1,533,754**	**14%**	**4,314,006**	**4,094,931**	**5%**	(1)
Cost of sales	1,562,804	1,035,057	51%	3,729,731	2,226,680	68%	(2)
Inventory write down	-	-	NM	1,057,638	-	NM	(3)
Net profit interest to a related party	-	85,447	NM	-	143,325	NM	(4)
Gross Margin	**185,387**	**413,250**	**(55%)**	**(473,363)**	**1,724,926**	**(127%)**	(5)
General and administrative expenses	796,270	74,684	966%	2,225,145	447,133	398%	(6)
Share-based compensation	2,404,283	-	NM	2,404,283	-	NM	(7)
Investor relations and corporate development	118,336	29,733	298%	184,675	111,224	66%	
(Gain) loss on foreign exchange	(1,015,555)	(64,473)	1475%	(1,494,634)	(241,502)	519%	
Operating earnings	**(2,117,947)**	**373,306**	**(667%)**	**(3,792,832)**	**1,408,071**	**(369%)**	
Net finance income	(506,703)	20,433	(2,580%)	(589,108)	84,842	(794%)	(8)
Other expenses (income)	163,327	-	NM	187,873	-	NM	(9)
Net income (loss) before income taxes	**(1,774,571)**	**352,873**	**(603%)**	**(3,391,597)**	**1,323,229**	**(356%)**	
Income tax expense	9,933	7,631	30%	23,133	20,005	16%	
Net income (loss) for the period	**(1,784,504)**	**345,242**	**(617%)**	**(3,414,730)**	**1,303,224**	**(362%)**	(10)
Income (loss) per share (basic and diluted)	(0.021)	0.004	NM	(0.042)	0.016	NM	(10)

NM – Not meaningful

Three-month period ended September 30, 2020 compared to three-month ended September 30, 2019

1. **Revenues** for the quarter were up 14% compared to the same quarter in the previous year due to a 75% increase in the average realized silver price per once ($25.04/oz vs $14.26/oz). This is despite lower silver sales volumes (81,423 oz in 2020 compared to 113,571 oz in 2019). An adjustment of $255,975 has been made during the quarter following a final invoice adjustment for revenues from sale of concentrate in 2019.

2. **Cost of sales** in the period was higher (51%) than the same period of the year previous based on higher production volume and an increase in maintenance costs.

4. **A net profit interest to a related party** is now evaluated at $nil given a change in methodology in calculating the NPI in the three-month period ended September 30, 2020.

5. **Gross margin** in the quarter was down 55% due to the increased cost of sales and partially offset by a 76% increase in the average realized silver price of $25.04/oz for the three-month period ended September 30, 2020 compared to $14.26/oz during the same period in the prior year. The increased revenue was offset by the sales adjustment described above which negatively affected gross margin.

6. **General and administrative expenses** were up significantly in large part because of the increase in personnel as the Corporation continues to streamline operations.

7. **Share-based payments** represent the vesting of options that the Corporation awarded to certain employees, directors and officers, resulting in an additional expense of $2.4 million for the quarter. The corporation awarded 5,305,000 share purchase options with different vesting periods.

8. **Net finance income** increased significantly, mainly due to a gain on debt extinguishment of $520,452 that is related to the balance of purchase price for Boumadine. In 2020, the Corporation and ONHYM agreed to the postponement of payment for the 15,000,000 MAD to a date, not before January 2023. As the terms of the extension were significantly different from the original terms, the extension is considered an extinguishment of the balance of purchase price payable. The balance of purchase price was measured at the date of modification at fair value, based on discounted cash flows using a discount rate of 16%. The difference between the nominal

value of the balance of purchase price of $1,547,415 and its fair value of $1,026,963 is recorded as a gain on debt extinguishment.

9. **Other expenses** in the quarter of $163,327 of which $114,794 due to a write-off from a previously recorded sales-tax receivable from 2016 to 2018 that the Corporation no longer believes it can recover.
10. As a result of the foregoing, a **net income (loss)** of ($1,784,504) (EPS of ($0.021)) was recorded for the quarter compared to a net gain of $345,242 (EPS of $0.004) in the same quarter the year prior.

Nine-month period ended September 30, 2020 compared to nine-month ended September 30, 2019

1. **Revenues** for the nine-month period ended September 30, 2020 were very similar to revenue in the same period of 2019 based on similar plant performance and similar sales in a similar price environment.
2. **Cost of sales** increased significantly in the nine-month period ended September 30, 2020 compared to the same period in the previous year due to an increase in production and maintenance charges during this period compared to last. Maintenance costs will continue to be higher this year as maintenance had been neglected in the past which continues to undermine plant performance.
3. **Inventory write-down** for the period of $1,057,638 has been recorded following a thorough review of the Corporation's inventories. Inventories reviewed were ore, intermediary stock, silver concentrate and silver bars.
4. **A net profit interest to a related party** is now evaluated at $nil given a change in methodology in calculating the NPI in the nine-month period ended September 30, 2020.
5. **Gross margin** in the first nine-month of the year was significantly lower than in the same period a year ago, due to higher costs and a one-time inventory write down. Without the inventory write down, gross margin would have been $584,275 for the period.
6. **General and administrative expenses** were up significantly in large part because of the increase in personnel as the Corporation continues to streamline operations and the inclusion of the previous CEO's severance of $372,033.
7. **Share-based payments** represent the vesting of options that the Corporation awarded to certain employees, directors and officers, resulting in an additional expense of $2.4 million for the quarter. The corporation awarded 5,305,000 share purchase options with different vesting periods.
8. **Net finance income** increased significantly, mainly due to a gain on debt extinguishment of $520,452 for the nine-month period ended September 30, 2020 as described in more detail in point 7 above.
9. **Other expenses** for the nine-month period ended September 30, 2020 consisted mainly of $179,883 representing the value of the silver bars theft that occurred in Q1-2020 and $114,794 representing a write-off from previously recorded sales-tax receivable from 2016 to 2018.
10. As a result of the foregoing, a **net income (loss)** of ($3,414,730) (EPS of ($0.042)) was recorded for the nine-month period ended 2020 compared to a net gain of $1,303,224 (EPS of $0.016) in the same period the year prior.

SUMMARY OF QUARTERLY RESULTS

Selected Quarterly Information

	Revenues	Net profit (loss)	Net profit (loss) per share (basic and diluted)
Quarter ended	**$**	**$**	**$**
September 30, 2020	1,748,191	(1,784,504)	(0.021)
June 30, 2020	2,040,753	(1,194,493)	(0.015)
March 31, 2020	525,062	(435,733)	(0.005)
December 31, 2019	1,986,469	(1,879,737)	(0.02)
September 30, 2019	1,533,754	345,242	0.016
June 30, 2019	1,504,981	691,363	0.01
March 31, 2019	1,056,196	384,944	0,01
December 31, 2018 (1)	-	449,392	0,01
September 30, 2018 (2)	-	(489,182)	(0.01)

(1) Revenues of $1,033,424 were generated during the quarter but accounted for against mining assets under construction as the project in the development stage.

(2) Revenues of $648,457 were generated during the quarter but accounted for against mining assets under construction as the project in the development stage.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2020, the Corporation had working capital of $30,567,265 ($15,555,521 as at December 31, 2019). The increase in working capital is mainly due to the increase in cash generated from the Corporation's issuance of Units in Q3 2020. Although the Corporation's Zgounder operation produces cash flow, the Corporation's principal source of financing is equity and debt financing, the success of which depends on capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration and evaluation activities and be able to support its ongoing operations, the Corporation may be required to raise further equity financing in the capital markets.

CAPITAL MANAGEMENT

The Corporation defines capital as equity and long-term debt. When managing capital, the Corporation's objectives are to:

- Ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions;
- Ensure the externally imposed capital requirements relating to debt obligations are being met;
- Increase the value of the Corporation's assets; and
- Achieve optimal returns to shareholders.

These objectives will be achieved by identifying the right exploration and evaluation projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and evaluation and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business.

Management reviews its capital management approach on an ongoing basis and believes that this approach is appropriate given the relative size of the Corporation. There were no changes in the Corporation's approach to capital management for the three-month and nine-month periods ended September 30, 2020.

COMMITMENTS AND CONTINGENCY

Royalties

As per terms of the property purchase agreements, the Corporation is committed to pay the following royalties:

- 2.5% net smelter royalty ("NSR") to Société d'Exploration Géologique des Métaux ("SEGM") on the Amizmiz property and on an 8 km radius area of interest;
- 2.5% royalty to Ouiselat Mines on revenue from the Azegour property;
- 3.0% royalty to ONHYM on revenue from the Zgounder property; and
- 3.0% royalty to ONHYM on revenue from the Boumadine property.

Net profit interest

In 2012, the Corporation entered into a project management agreement with Global Works, Assistance and Trading S.A.R.L. ("Glowat"), a related party to the previous CEO and director of the Corporation, which included a net-profit interest ("NPI") equal to 5% of the gross revenues generated from the operations of the Zgounder Silver Mine, less mining and milling costs. The Corporation is currently reviewing the terms and agreements of set agreement following the departure of the former CEO.

RISKS AND UNCERTAINTIES

The operations of the Corporation are speculative due to the high-risk nature of its business, which are the operation, acquisition, financing, exploration, evaluation and development of mineral projects. The risks below are not the only ones facing the Corporation. Additional risks not currently known to the Corporation or that the Corporation currently deems immaterial, may also impair the Corporation's operations. If any of the following risks actually occur, the Corporation's operating, exploration, and financial results may be significantly different from those expected as at the date of this MD&A.

Financial Risk Factors

Disclosure and description of the Corporation's capital management, financial risks and financial instruments in notes 17, 18 and 19 of the audited consolidated financial statements for the year ended December 31, 2019 contain the risk factors associated with the Corporation.

Risks Inherent to Mining Exploration

The Corporation is engaged in the business of operating, acquiring and exploring mineral properties in the hope of locating or expanding on economic mineral deposits. Except for the Zgounder project, all of the Corporation's property interests are at the exploration stage and are without a known mineral reserve. Accordingly, there is little likelihood that the Corporation will realize any profits in the short to medium term from these properties. Any profitability in the future from the Corporation's business will be dependent upon locating economic mineral deposits. There can be no assurance, even if an economic mineral deposit is located, that it can be commercially mined.

Uncertainty in the Calculation of Mineral Reserves, Resources and Silver Recovery

There is a degree of uncertainty attributable to the calculation of Mineral Reserves and Mineral Resources (as defined in National Instrument 43-101). Until Mineral Reserves or Mineral Resources are actually mined, extracted and processed, the quantity of minerals and their grades must be considered estimates only. In addition, the quantity of Mineral Reserves and Mineral Resources may vary depending on, among other things, applicable metal prices. Any material change in the quantity of Mineral Reserves, Mineral Resources, grade or mining widths may affect the economic viability of some or all of the Corporation's mineral properties and may have a material adverse effect on the Corporation's operational results and financial condition. Mineral Resources on the Corporation's properties have been calculated on the basis of economic factors at the time of calculation; variations in such factors may have an impact on the amount of the Corporation's Mineral Resources. In addition, there can be no assurance that silver recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue.

Uninsured Risks

The Corporation's business is subject to a number of risks and hazards, including environmental conditions, adverse environmental regulations, political and foreign country uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Metal Price Volatility

The profitability of the Corporation's operations will be significantly affected by changes in metal prices. Metal prices are volatile, can fluctuate substantially and are affected by numerous factors beyond the Corporation's control. In addition, metal prices are sometimes subject to rapid short-term changes because of speculative activities.

Additional Funding Requirements

To continue exploration and development of the Corporation's projects, it will require additional capital. In addition, a positive production decision at the projects or any other development projects acquired in the future would require significant capital for project engineering and construction. Accordingly, the continuing development of the Corporation's projects will depend upon the Corporation's ability to obtain financing through debt financing, equity financing, the joint venturing of projects or other means. There is no assurance that the Corporation will be successful in obtaining the required financing for these or other purposes.

Regulatory Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Corporation and could adversely affect its operations, business and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Projects. To the extent such approvals are required and not obtained, the Corporation may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Environmental Matters

The Corporation's operations are subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Corporation may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production. In addition, other environmental hazards may exist on a property in which the Corporation directly or indirectly holds an interest that are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the property. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties.

To the extent the Corporation is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Corporation. If the Corporation is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Corporation.

Risk of Project Delay

There is significant risk involved in the development and construction of mining projects. There could be project delays due to circumstances beyond the Corporation's control. Risks include but are not limited to delays in acquiring all of the necessary mining and surface rights, project economics, capital funding, delays in obtaining environmental and construction authorizations and permits, as well as unforeseen difficulties encountered during the development process including labour disputes. Any of these factors among many others could cause delays in the Corporation's ability to achieve its targeted timelines.

Risk on the Uncertainty of Title

Although the Corporation has obtained title opinions with respect to its key properties and has taken all possible measures to ensure proper title to its properties, including filing of necessary documents and payment of rents to local regulatory authorities, there is no guarantee that the title to any of its properties will not be challenged. Third parties may, unbeknownst to the Corporation, have valid claims underlying portions of the Corporation's interests.

Risk Linked to Conflict of Interest

Certain directors and officers of the Corporation may also serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. Furthermore, certain directors and officers of the Corporation may also serve as directors of other companies involved in mineral exploration and development. Consequently, the possibility of conflict of interest exists at several levels.

To the extent that such other companies may participate in ventures in which the Corporation is also participating, or participate in business transactions with the Corporation, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each Corporation's participation. Canadian law requires the directors and officers of the Corporation to act honestly, in good faith, and in the best interests of the Corporation and its shareholders. However, in conflict of interest situations, our directors and officers may owe the same duty to another Corporation and will need to balance the competing obligations and liabilities of their actions or declare and refrain from voting on any matters in which such directors have a conflict of interest.

Human Resource Risk

The Corporation is dependent on its ability to attract, retain and develop highly skilled and experienced workforce and key management employees. The loss of these employees may adversely affect its business and operations. To this effect, the Corporation offers competitive remuneration and benefits and it also implemented regular training sessions to improve general and specific skills of its work force. As part of its succession planning, the Corporation also identified a limited number of high potential employees whose development aims at making them key managers within a short to medium term.

Reputational Risk

The consequence of reputational risk is a negative impact to the Corporation's public image, which may influence its ability to acquire future mining projects and retain or attract key employees. Reputational risk may arise under many situations including, among others, cyber-attacks and media crisis. Prior to acquiring a particular project, the Corporation mitigates reputational risk by performing due diligence, which includes a review of the mining project, the country, the scope of the project and local laws and culture. Once the decision to participate in a mining project has been taken, the Corporation continues to assess and mitigate reputational risk through regular Board and Board Committees reviews.

Political Risk

Aya exclusively operates in the Kingdom of Morocco. While the current government of Morocco has supported the development of its natural resources by foreign companies, there is no assurance that the government will not, in the future, adopt different policies or new interpretations respecting foreign ownership of mineral resources, rates of exchange, environmental protection, labour relations, and repatriation of income or return of capital. Any limitation on transfer of cash or other assets between Aya and our subsidiaries could restrict our ability to fund our operations or materially adversely affect our financial condition and results of operation.

Moreover, mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. Our interpretation of taxation law, including fiscal stability provisions, as applied to our transactions and activities may not coincide with that of the tax authorities. As a result, taxes may increase and transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant taxes, penalties and interest.

The possibility that a future government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in this or neighbouring countries.

Impact of Epidemics

All of Aya's operations are subject to the risk of emerging infectious diseases or the threat of viruses or other contagions or epidemic diseases, including COVID-19. Any outbreak or threat of an outbreak of a virus or other contagions or epidemic disease could have a material adverse effect on the Corporation's business, results of operations and financial condition.

OTHER FINANCIAL INFORMATION

Share Repurchase Program

The Corporation had an ongoing share repurchase program, that ended on April 30, 2020, to repurchase up to 5,567,799 common shares or approximately 10% of the Corporation's issued and outstanding shares. The normal course issuer bids are carried through the facilities of the Toronto Stock Exchange and alternative Canadian marketplaces.

During the nine-month period ended September 30, 2020, the Corporation repurchased and cancelled 59,701 common shares for a total consideration of $51,995, through a normal course issuer bid in the open market as approved by the Toronto Stock Exchange.

Share Purchase Options

The following table reflects the share purchase options issued and outstanding as at the date of this MD&A:

Expiry date	Number of options	Exercise Price
	Number	**CA$**
January 24, 2023	50,000	2.00
May 4, 2023	800,000	3.30
June 19, 2023	40,000	3.30
July 1, 2030	5,305,000	1.43
	6,195,000	

Share Purchase Warrants

Expiry date	Number of warrants	Exercise Price
	Number	**CA$**
September 3, 2023	604,086	2.29
September 3, 2023	6,244,048	3.30
	6,848,234	

Outstanding share data

	Number of shares outstanding (diluted)
Outstanding as of November 13,2020	92,181,714
Shares reserved for issuance pursuant to share purchase options	6,195,000
Shares reserved for issuance pursuant to warrants	6,848,234
	105,224,948

Off-Balance Sheet Arrangements

At September 30, 2020, the Corporation had no material off-balance sheet arrangements such as contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that generate financing, liquidity, market or credit risk to the Corporation, other than contingent liabilities and vendor liability and interest, as disclosed in this MD&A and the condensed interim consolidated financial statements and the related notes.

Related Party Disclosures

During the nine-month periods ended September 30, 2020 and 2019, the following related party transactions occurred in the normal course of operations:

- A firm, of which a former director of the Corporation is a partner, charged professional fees amounting to $98,743 recorded as professional fees (2019 - $32,935). As at September 30, 2020, $1,410 (December 31, 2019 – ($9,117)) was due to that firm;

- A firm, of which a former director and acting CFO of the Corporation is a partner, charged professional fees amounting to $65,967 recorded as professional fees (2019 - $nil). As at September 30, 2020, $65,967 (December 31, 2019 - $nil) was due to that firm;

- A Net profit interest to Glowat, a private Corporation owned by a party related to a former officer and director of the Corporation, was $nil (2019 - $143,325). As at September 30, 2020, $186,047 (December 31, 2019 - $191,423) was due to Glowat.

- A Corporation where the Corporation's Chief Executive Officer is also the Director and Executive Chairman of the Board charged management and consulting fees amounting to $69,186 (2019 - $nil) and $1,836 in general and administrative fees (2019 - $nil). As at September 30, 2020, $nil (December 31, 2019 - $nil) was due to that Corporation.

- A Corporation owned by the Chief Executive Officer and a Director of the Corporation charged management and consulting fees of $180,931 (2019 - $nil) and general and administrative fees of $14,626 (2019 - $nil). As at September 30, 2020, $91,834 (December 31, 2019 - $nil) was due to that Corporation.

- A consulting Corporation, of which an officer of the Corporation is the sole owner, charged professional fees amounting to $44,677 recorded as professional fees (December 31, 2019 - $nil). As at September 30, 2020, $9,000 (December 31, 2019 - $nil) was due to that Corporation.

Remuneration of key management personnel of the Corporation

Key management included members of the Board of Directors and executive officers of the Corporation consisting of the Chief Executive Officer, President and Chief Financial Officer. During the three-month and nine-month periods ended September 30, 2020 and 2019, the remuneration awarded to key management personnel (including the amounts above) is as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2020	2019	**2020**	2019
	$	$	**$**	$
Salaries and benefits	**63,705**	129,703	**454,491**	225,698
Management consulting and professional fees	**177,402**	-	**390,318**	-
Director fees	**77,024**	-	**96,826**	-
Share-based compensation	**1,623,996**	-	**1,623,996**	-
	1,942,127	129,703	**2,565,631**	225,698

As at September 30, 2020, $374,103 is included in accounts payable and accrued liabilities related to the former CEO's severance.

As at September 30, 2020, $70,331 in directors' fees are unpaid.

ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Critical Accounting Judgments and Estimates

The preparation of condensed interim consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

In preparing the Corporation's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2020, the Corporation applied the critical judgments and estimates disclosed in note 2 and 3 of its audited consolidated financial statements for the year ended December 31, 2019.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

As a public entity, we must take steps to ensure that material information regarding our reports filed or submitted under securities legislation fairly presents the financial information of Aya and its subsidiaries. Responsibility for this resides with management, including the President and Chief Executive Officer and Chief Financial Officer. Management is responsible for establishing, maintaining and evaluating disclosure controls and procedures, as well as internal control over financial reporting.

Disclosure Controls and Procedures (DC&P) & Internal Control over Financial Reporting (ICFR)

The management and board of directors of the Corporation are responsible for establishing and maintaining the Corporation's DC&P, including adherence to the Disclosure Policy adopted by the Corporation. The Disclosure Policy requires all staff to keep senior management fully apprised of all material information affecting the Corporation so that they may evaluate and discuss this information and determine the appropriateness and timing for public release. The CEO and CFO evaluated the effectiveness of the Corporation's DC&P as required by National Instrument 52-109 issued by the Canadian Securities Administrators. They concluded that as of September 30, 2020, the Corporation's DC&P continue to be inadequate and deficient. Since the December 31, 2019 evaluation, changes as part of the remediation plan, as summarized below, have begun. Until such time as the remediation plan is fully enacted, the Corporation's DC&P will continue to remain inadequate and deficient.

Management developed a system for ICFR which they believed provided reasonable assurance with regards to the reliability of the financial information published and the preparation of the consolidated financial statements in accordance with IFRS. The CEO and the CFO evaluated the effectiveness of the ICFR as at September 30, 2020, based on the framework and criteria established in Internal Control – Integrated Framework as issued by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission, and based on their evaluation, management has concluded that the Corporation's ICFR continue to be inadequate and deficient.

Given management has only recently joined the Corporation, they are taking proactive steps to correct the following deficiencies outlined below.

Description of the material weakness

On October 25, 2019, the Corporation hired a recognized accounting firm (the "Firm") to assist with the review of its compliance with National Instrument 52-109 for Certification of Disclosure in Issuers' Annual and Interim Filings. The Firm's mandate was to review the DC&P and ICFR of the Corporation and its effectiveness and make recommendations to the management.

At the beginning of 2019 and until May 15, 2020, in the absence of a permanent, full-time chief financial officer (CFO) and supporting accounting team, the Corporation decided to outsource its financial and tax reporting functions to the same Firm. Also, the internal communication channels of the Corporation were not sufficiently established.

Since May 15, 2020, management has made changes and improvements to the accounting function and as of the date of this MD&A and accompanying financial statements, management is now fully staffed and has produced the financial statements and MD&A in house without the aid of external consultants.

The internal communication channels of the Corporation have been modified and are now deemed effective.

Impact of the material weakness

At the beginning of 2019 and for Q1-2020, the Corporation did not have a full-time CFO and supporting accounting team, and instead decided to outsource these functions. Given this, with the exception of former CEO, it became difficult for management and the board of directors to have in-depth, full oversight of the Corporation's operations.

When using external consultants to provide accounting services, some facts and supporting documentation may not be communicated in a timely fashion to ensure proper documentation and formulate adequate conclusions of its accounting positions. Management has ultimate responsibility of the financial statements and must ensure they are in conformity with IFRS. Accounting transactions performed by the Firm were not reviewed in enough detail by the management of the Corporation. All accounting is now conducted and managed in house.

Remediation plan

As part of the remediation plan, the Corporation has restructured its management team and has appointed Mr. Benoit La Salle FCPA, CPA as President and Chief Executive Officer and Mr. Ugo Landry-Tolszczuk, Ing., CFA as Chief Financial Officer. In addition, the Corporation has hired a new managing director responsible for the operations of its subsidiaries in Morocco and a corporate controller with more than ten years' experience in the mining sector acting as corporate controller. Additionally, a new director of finance was hired locally, and a mine site controller is now on site to put in place appropriate controls and procedures.

Additional remediation steps have been determined, but could not be fully completed at the date of this MD&A. The Corporation will continue to hire additional staff as part of the internal accounting team at its head office and increase the size of its team within its subsidiaries in the upcoming months which will be given full oversight and authority on accounting and financial controls.

Once the travel restrictions imposed by the COVID-19 virus are lifted, the accounting team will travel regularly to its subsidiaries to oversee the accounting activities. Senior managers will periodically visit subsidiaries and divisional operations to create a positive change in management oversight. In the meantime, video conferencing and cloud-based tools, including a more appropriate accounting software, will quickly be put in place and team members will be trained on how to use these tools effectively to immediately start remedying the situation. These changes will allow individuals responsible for financial reporting to capture all relevant internal and external information that may impact the financial information in a timely fashion.

These actions will include both internal initiatives such as staff modifications, procedural enhancements and reviews designed to improve technical competence, segregated financial responsibilities, and establishing a culture of timely and accurate reporting. Until management is confident in its internal team to effectively achieve its mandate, investments, notably the use of outside consultants to strengthen the Corporation's control environment, will be made.

Furthermore, the Corporation will also adopt and implement a Code of Conduct and has modified the Audit Committee to include new board members with extensive Audit Committee experience. The Audit Committee is mandated with overseeing the development and implementation of the disclosure policy, and with reviewing and evaluating the financial statements and other disclosures by the Corporation.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain "forward-looking information", within the meaning of Canadian securities laws. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently 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 the forward-looking information. Specifically, this MD&A includes, but is not limited to, forward-looking information regarding: the potential of the Corporation's properties; results of exploration activities and interpretation of such results; the Corporation's capacity to acquire new projects; plan, cost and timing of future exploration and development; requirements for additional capital; continuous access to capital markets; and other statements relating to the future financial and business performance and strategic plans of the Corporation.

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral resources but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in 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 and actual results could differ materially from those suggested by this forward-looking information for various reasons. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Additional information on the Corporation, including the Corporation's Annual Information Form and the Corporation's audited consolidated financial statements for the year ended December 31, 2019, is available on SEDAR at www.sedar.com and on the Corporation's website at www.ayagoldsilver.com.