



GOLD & SILVER

AYA GOLD & SILVER INC.

(Formerly Maya Gold & Silver Inc.)

**ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2020**

March 31, 2021

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Except as otherwise indicated, references to “we”, “our”, “us”, “its”, “Corporation” or “Aya” mean Aya Gold & Silver Inc. and its subsidiaries. All the information contained in this Annual Information Form (“AIF”) is up to date as at December 31, 2020 and the amounts are expressed in US dollars, unless otherwise indicated. For greater certainty, this AIF sets forth the results for the fiscal year ended December 31, 2020 and is dated March 31, 2021.

FORWARD-LOOKING STATEMENTS

This AIF contains forward-looking information, within the meaning of applicable Canadian securities legislation, which reflects management’s expectations regarding Aya’s future growth, results of operations (including, without limitation, future production and capital expenditures), performance (both operational and financial), business prospects and opportunities (including the timing and development of new deposits and the success of exploration activities), proposed plans with respect to mine plans, anticipated 2021 results, mineral reserves and mineral estimates, anticipated life of mine operating and financial results and the completion of construction of future deposits related thereto and opportunities. Words such as “plans”, “expects”, “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “anticipate” or “does not anticipate”, “believe”, “intend” and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify such forward-looking information. Although the forward-looking information contained in this AIF reflects 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. A number of factors could cause actual results, performance or achievements to differ materially from the results expressed or implied in the forward-looking information, including those listed in the “Risk Factors” section of this AIF. The documents incorporated by reference herein also identify additional factors that could affect the operating results and performance of Aya. These factors should be considered carefully and prospective or existing investors should not place undue reliance on any forward-looking information contained in them. Forward-looking information necessarily involves significant known and unknown risks, assumptions and uncertainties that may cause Aya’s actual results, performance, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking information. Although Aya has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective or existing investors should not place undue reliance on such forward-looking information. The forward-looking information is stated as of the date of this AIF and, except as required under applicable laws, Aya assumes no obligation to update or revise such information to reflect new events or circumstances.

Forward-looking information and other information contained herein concerning, among other things, mineral exploration and management’s general expectations concerning the mineral exploration industry are based on estimates prepared by management using data from publicly available industry sources as well as from market research and industry analysis as well as assumptions based on data and knowledge of the industry which management believes to be reasonable, including, among other things, the ability to obtain any requisite Moroccan governmental approvals, the accuracy of mineral reserve and mineral resource estimates, silver price, exchange rates, fuel and energy costs, future economic conditions and courses of action. However, this data is inherently imprecise, although generally indicative of relative market positions, market shares and performance characteristics. While management is not aware of any misstatements regarding any industry data presented herein, mineral exploration involves risks and uncertainties, and industry data is subject to change based on various factors.

In addition, please note that statements relating to “reserves” or “resources” are deemed to be forward-looking information as they involve the implied assessment, based on certain estimates and assumptions that the resources and reserves described can be profitably mined in the future.

All of the forward-looking statements made in this AIF and the documents incorporated by reference herein are qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Aya.

CORPORATE STRUCTURE

NAME, ADDRESS AND INCORPORATION

Aya Gold & Silver Inc. was incorporated pursuant to the *Canada Business Corporations Act* on December 19, 2007. The head office of the Corporation is located at 1320 boulevard Graham, Suite 132, Mont-Royal, Québec, Canada, H3P 3C8.

On February 27, 2018, articles of amendment were issued to consolidate the common shares of the Corporation on a 4 for 1 basis.

On July 22, 2020, articles of amendment were issued to change the name of the Corporation from Maya Gold & Silver Inc. to Aya Gold & Silver Inc.

The Corporation is a reporting issuer in the provinces of British Columbia, Alberta, Ontario and Québec and its common shares are listed on the Toronto Stock Exchange (“**TSX**”) under the stock symbol “**AYA**”.

INTERCORPORATE RELATIONSHIPS

The following chart shows the inter-corporate relationships among Aya and its material subsidiaries:

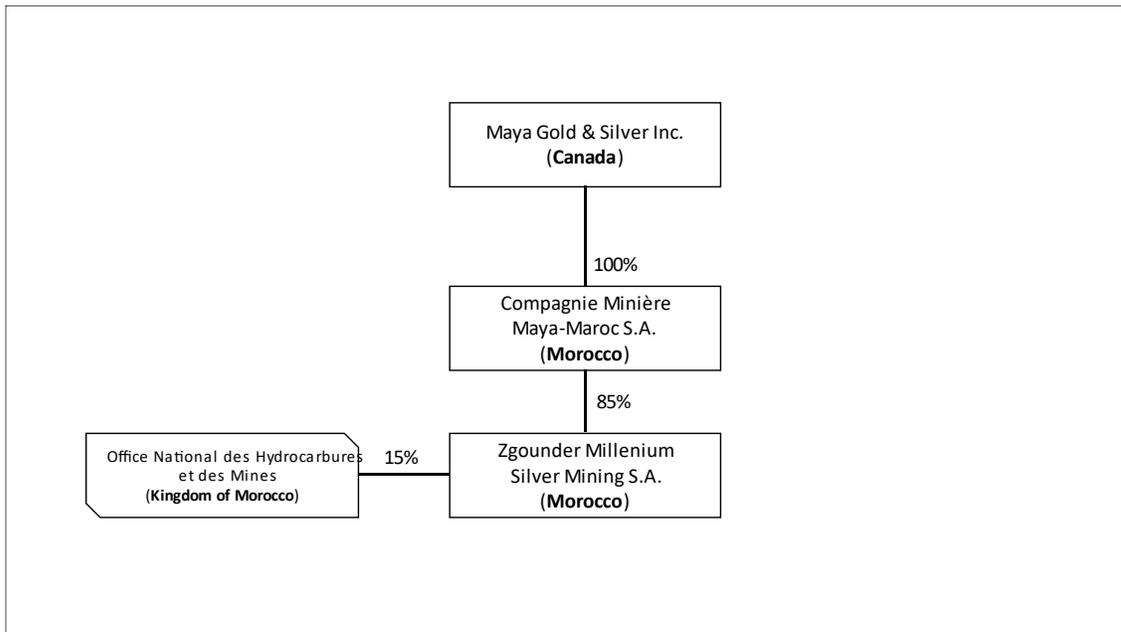


Figure 1: Corporation chart

- Compagnie Minière Maya-Maroc S.A (« **CMMM** ») was incorporated on August 24, 2009 pursuant to Moroccan Law. Its registered office is located at rue de l'Épargne, Numéro 3, Étage 1, Casablanca, Kingdom of Morocco (“**Morocco**”). This corporation is involved in the exploration of mining properties located in Morocco; and
- Zgounder Millenium Silver Mining S.A. (“**ZMSM**”) was incorporated on October 19, 2013 pursuant to Moroccan Law. Its registered office is located at rue de l'Épargne, Numéro 3, Étage 1, Casablanca, Morocco. This corporation is involved in the development of mining properties located in Morocco.

GENERAL DEVELOPMENT OF THE BUSINESS

THREE-YEAR HISTORY

Year ended December 31, 2018

Operations

Zgounder Silver Mine

Aya produced a total of 258,469 ounces (8,039 Kg) of silver during 2018, down 50% over 2017. The decrease is a direct result of the Corporation's decision to reduce operations during the new mill installation and generate income even if resources were limited.

In the first quarter of 2018, Aya filed the results of the independent PEA prepared by GoldMinds Geoservices Inc. ("**GMG**") and the filing of a National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") compliant technical report on its Zgounder Mine titled "NI 43-101 Technical Report Preliminary Economic Assessment Zgounder Silver Mine Kingdom of Morocco" and dated February 5, 2018, which was amended and filed on March 15, 2018 (the "**ZMSM PEA**"). The ZMSM PEA is available on Aya's profile on SEDAR at www.sedar.com and on Aya's website.

On October 24, 2018, Aya announced that ZMSM was connected to the national power grid. The power line was built to reduce the project's dependence on fuel and reduce electricity costs. The replacement of the fuel generators by a grid-connected substation provides 2.4MVA while reducing costs to US\$ 0.10/kWh compared to US\$ 0.24/kWh.

On August 7, 2018, the Corporation reported that construction on the flotation mill was progressing and the commencement of a Reverse Circulation ("**RC**") drilling program at ZMSM.

In 2018, a total of 560.4 m of percussion drilling and 4,498.9 m of diamond drilling ("**DDH**") was completed on the Zgounder property.

Boumadine

The Corporation completed 4,644.4 m of a DDH program at Boumadine allowing the Corporation to:

- Validate historical mineralization panels;
- Confirm gold presence both in mineralized zones, surface and tailing;
- Conduct metallurgical testing on mineralized material and rock samples to provide the with the aim of developing a process flowsheet.

On May 29, 2018, Aya began a new 3,000 m DDH program at its Boumadine property immediately following results from its first drilling program.

On January 9, 2018, the Corporation paid the third installment amounting to 6,000,000 dirhams (\$637,200) in relation to the Boumadine project to the Office National des Hydrocarbures et des Mines ("**ONHYM**") of Morocco.

Financing

Effective February 27, 2018, Aya consolidated its issued and outstanding common shares on the basis of one post-consolidation common share for every four pre-consolidation common shares, from 243,941,080 Common shares to 60,985,270 Common shares.

On April 16, 2018, the Corporation closed an over-subscribed, non-brokered private placement of CAD\$ 28,397,000 through the issuance of 8,605,152 common shares, at a price of CAD\$ 3.30 per common share, a 32% premium to market.

On June 29, 2018, the Corporation repaid in full \$6,000,000 of the outstanding debt under the loan with European Bank for restructuration and Development. The Corporation incurred debt prepayment fee of CAD \$678,079 comprised of interest and penalties.

Year ended December 31, 2019

Operations

Zgounder Mine

On January 9, 2019, Aya announced the commissioning of its 500 tpd flotation mill had been completed and the company declared commercial production as of January 1st, 2019.

In 2019, Aya produced 452,416 ounces of silver at an average head grade of 217.6 g/t Ag. Silver was sold as ingots (262,837 ounces) and as concentrate (163,068 oz) for a total of 425,905oz sold.

Boumadine

A total of 3,959m of DDH occurred at the Boumadine project in 2019 showing extension of mineralization at depth in the Imarigen Ouest zone, above the -50 m and to the south in the North zone.

On February 25, 2019, Aya announced the compilation of results from its DDH program, drilling on the historical tailings and surface sampling at Boumadine property including historical mineralized panels which are still in place.

On April 24, 2019, Aya announced the results of the independent Preliminary Economic Assessment study prepared by GMG and the filing of a NI 43-101 compliant technical report on its Zgounder Silver Mine titled “NI 43-101 Technical Report Preliminary Economic Assessment Boumadine Polymetallic Mine of the Kingdom of Morocco” and dated March 29, 2019. Such report is available on Aya’s profile on SEDAR at www.sedar.com but, as announced by Aya on May 28, 2020 is no longer current and the Boumadine project is no longer considered material.

Azegour

The Azegour property is located in the Tizguine-Amizmiz-Azegour area, High Atlas Occidental, Province of Marrakech, Morocco (the “**Azegour Property**”).

On March 1, 2019, Aya announced it began to explore and develop its Azegour Property where Copper, Molybdenum, Tungsten and Uranium were mined in the past. The Corporation hired GMG to guide and assist the Aya.

On May 8, 2019, the Corporation reported positive findings at Azegour Property and announced the launch of its preliminary economic assessment’s work. As of this date, PEA work on the Azegour Property has been halted and exploration work will be the focus.

Financing

Aya converted to a US dollar reporting currency starting January 1, 2019.

On April 29, 2019, the Corporation announced that the TSX has approved its notice of intention to make a normal course issuer bid (the “**NCIB**”), through which Aya may purchase up to 5,567,799 of its common shares or approximately 10% of the public float through the facilities of the TSX and certain alternative Trading Systems over a period of twelve months, commencing on May 1, 2019, and ending April 30, 2020. At the end of the NCIB program, Aya had repurchased 49,019 shares.

Year ended December 31, 2020

Operations

Zgounder Silver Mine

On February 27, 2020, the Corporation announced advancements in infrastructure development for the Zgounder Silver Mine. These works included building a new tailings facility, paving access roads, and developing a new ramp to reach the 1,950m level.

On March 25, 2020, the Corporation announced the completion of works to expand the total nameplate production capacity from 500 tpd to 700 tpd at its Zgounder Silver Mine. These expansion works occurred from October 2019 to March 2020 and was entirely funded from cash flow generated by the Zgounder Silver Mine.

On May 11, 2020, the Corporation announced results of its 2019 drilling program at its Zgounder Silver Mine. The Corporation reported the final pending assay results comprised of eight DDH (ZG-19-01 to -08) totaling 2,034m and 32 RC holes totaling 3,611m all drilled from surface.

On July 14, 2020, the Corporation announced the start of the first phase of the 2020 Zgounder Silver Mine exploration program which included an initial 10,000m DDH and 5,000m RC drilling.

On August 6, 2020, the Corporation announced that it has launched the feasibility study for the expansion of its Zgounder Silver Mine in partnership with Montreal-based DRA Met-Chem, a division of DRA Global Ltd (“**DRA**”).

On December 15, 2020, the Corporation reported high-grade Ag results from its ongoing drill exploration program at the Zgounder Silver Mine. The results confirmed high-grade Ag mineralization below the current mining operations with an intercept of 4.00 m at 9,346 g/t Ag, which was an all-time best within the mine’s database include the highest Ag value of 60,000 g/t Az over 0.5m. In additional hole Zg-20-01 confirmed new high-grade mineralization at depth at the granite contact.

On December 22, 2020, the Corporation reported that 17,465m of drilling had been completed in 2020. The Corporation subsequently expanded its original 2020 drill exploration program from 15,000m to 19,000m.

Corporate

On April 24, 2020, the Corporation announced that Nouredine Mokaddem Chairman, President and Chief Executive Officer, was retiring and stepping down as Chairman, President and CEO of the Corporation. Concurrently, Mr. Benoit La Salle FCPA, CPA was appointed by the Board of Directors as President and Chief Executive Officer and appointed as Director. In addition, Robert Taub was appointed as Chairman.

On May 14, 2020, the Corporation announced the appointment of Mr. Ugo Landry-Tolszczuk, Ing., CFA as Chief Financial Officer and Mr. Mustapha Elouafi as General Manager and President of Aya Gold & Silver Morocco.

On May 28, 2020 Aya announced that it no longer considers material any asset other than its Zgounder Silver Mine and considers all studies regarding non-material assets, including Boumadine, to no longer be current.

On July 30, 2020, the Corporation announced that it has received the approval from the Toronto Stock Exchange (the “**Exchange**”) to change the name of the Corporation from Maya Gold & Silver Inc. to Aya Gold & Silver Inc./Aya Or & Argent Inc. Effective at market open on July 31, 2020, the Corporation began trading under its new ticker TSX:AYA and its new name of Aya Gold & Silver Inc./Aya Or & Argent Inc.

On August 18, 2020, the Corporation announced that it had entered into an agreement with Desjardins Capital Markets, to act as lead underwriter of a syndicate of underwriters whereby the underwriters have agreed to

purchase 9,524,000 units of the Company (the “Units”) to be priced at C\$2.10 per Unit for gross proceeds to the Company of approximately C\$20,000,400 (the “Offering”). Each Unit consisted of one common share in the Corporation and one-half of one common share purchase warrant. Each warrant is exercisable for one common share at an exercise price of C\$3.30 for a period of 36 months following the closing date.

On September 3, 2020, the Corporation announced that it had upsized and closed its underwritten private placement and has issued 12,488,095 units of the Corporation at a price of C\$2.10 per unit for gross proceeds of C\$26,225,000. Net proceeds received from the financing was \$20,016,468. Each warrant is exercisable for one common share at an exercise price of C\$3.30 until September 3, 2023.

Subsequent Events – Algold Transaction

On January 11, 2021, the Corporation announced that it had entered into a definitive agreement with the creditors of Algold Resources Ltd. (“Algold”), which owns 75% of the Tijirit Gold Project in Mauritania, to acquire their 2018 secured loan for a then face value of \$5 million. The Loan is secured against the assets of Algold. The current loan value and outstanding balance stands at \$8 million. Under the terms of the Arrangement Agreement, the creditors received 2,133,333 common shares of Aya. This consideration is based on CAD\$3.00 per Aya share. Aya is now the largest creditor of Algold and sole secured creditor.

On February 19, 2021, the Corporation announced it had entered into a binding term sheet with Algold Resources Ltd. pursuant to which Aya would fund Algold’s proposal to its creditors and at closing, would become the sole shareholder of Algold. Under the terms of the Agreement, Aya provided Algold with C\$100,000 in cash and C\$2,500,000 in Aya shares to fund Algold’s Proposal. Aya also provided C\$2,400,000 in Aya shares to be distributed to Algold current shareholders with a view to become Algold’s sole shareholder.

On March 5th, 2021, Algold’s creditors approved Algold’s proposal.

On March 16, 2021 the Corporation announced a new mineral resource estimate for the Zgounder Silver Mine. The updated mineral resource estimate incorporates drilling carried out on Zgounder between February 2018 and the end of 2020. The mineral resources total 4.9 million tonnes averaging 282 g/t Ag for 44.4 million ounces Ag. This represents an increase of 340% compared to the March 2018 measured and indicated Mineral Resources of 10 million ounces Ag. The resource estimate was conducted by P&E Consultants Inc., an independent Qualified Person.

DESCRIPTION OF THE BUSINESS

Aya Gold & Silver Inc. is a publicly traded Canadian company focused on the operation, acquisition, exploration 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 ONHYM.

Aya’s mining portfolio also includes the Boumadine, Amizmiz, Azegour, and Imiter-bis, all located in Morocco and the Tijirit gold project located in Mauritania.

SUMMARY

The Corporation exports and sells its silver as ingots and silver concentrate. Silver ingots are sold to one customer in Switzerland based on the market price at the time of sale. Silver concentrate is sold to a Swiss trading company via an offtake agreement where silver is sold at a discount to a 30-day average silver price from the date of sale. Silver can easily be sold on numerous markets throughout the world therefore, the Corporation is not economically dependent upon these specific customers.

In 2020, total sales of silver for the year amounted to \$13,822,709 compared to \$6,081,400 in 2019. Silver prices fluctuate widely and are affected by numerous factors such as, but not limited to, inflation rate, exchange rates, interest rates, global and regional political and economic crises. The demand and supply of silver usually affects prices but not necessarily in the same manner as other commodities.

PRODUCTION

The current method of production at the Zgounder Silver Mine is cyanidation to silver ingots (64% of revenues in 2020) and flotation to a silver concentrate (36% of revenues). Several key hires were made during the second half of the year including a new general manager. A major maintenance and refurbishment plan was established which includes mining equipment, tailings facilities, living quarters, flotation plant, cyanidation plant and surrounding infrastructure, which will undergo significant. These repairs will require intermittent stoppages of certain parts of the two plants. Fixing and improving the tailings facilities is the initial priority. Water deviation canals were completed before the rainy season. The comminution circuits of both the flotation plant and the cyanidation plant are being refurbished. The flotation plant ball mill was repaired during the year and caused a six-week stoppage. Additionally, current mining equipment will undergo major repairs.

The company produced 726,319oz of silver in 2020 compared to 452,416oz in 2019.

SPECIALIZED SKILL AND KNOWLEDGE

The Corporation hired its team from different mining operations across Morocco, West African countries and Canada, each of which are hosts to several higher education institutions specializing in mining engineering and geology, as well as several significant mining companies and operations. The team has extensive experience in the mining industry in Morocco. This knowhow and workforce pool allows Aya to advance its projects with confidence.

COMPETITIVE CONDITIONS

Mining is a competitive industry, particularly in the acquisition of mineral reserves and mineral resources. Aya competes with numerous other mining companies, including larger and well-established mining companies with established capabilities and significant financial and technical resources, in the search and acquisition of prospective silver and other precious metals mining properties. Aya's continued success and growth not only depends on its ability to develop its present properties, but also on its search, selection and acquisition of future valuable silver exploration and/or producing properties and permits. Although Aya is a fully permitted silver producer in Morocco, is well established and has a reputation as an effective operator, there can be no assurance that its acquisition or organic development efforts will succeed in the future.

REAGENTS

The Corporation imports most of its reagents such as cyanide, zinc powder and lead nitrate from China and Europe. The prices are based on international market rates. The Corporation, with a view to manage market fluctuations and availability, maintains a four-month reserve at its storage facilities. The remainder of the raw materials are available locally without issue.

ENVIRONMENTAL PROTECTION

Aya's primary objective is to minimize potential impacts of its mines and to continue to improve its environmental performance. Each mine is subject to environmental assessment and permitting processes during development. The Company works closely with regulatory authorities in each jurisdiction where it operates to ensure ongoing compliance.

Aya is subject to strict environmental laws and regulations in connection with its exploration, development, construction, mining, and reclamation activities in Morocco. Our policy is to conduct business in a way that safeguards public health and the environment. All of Aya's mining, exploration and development activities are subject to local laws and statutory and regulatory regulations and requirements relating to the protection of the environment, including, but not limited to, air quality, water management and quality, solid and hazardous waste management and disposal, land use and reclamation. Failure to comply with these environmental laws or regulations could result in fines, penalties, the suspension or revocation of permits, civil sanctions or lawsuits.

The Company's total liability for reclamation and closure cost obligations on December 31, 2020 was \$1,222,335 and the Company's environmental remediation expenses for the year ended December 31, 2020

was \$93,323 (\$77,728 was capitalized under Property, Plant and Equipment). For more information, please see note 9 to the Annual Financial Statements.

PERMITS

Exploration and production activities on the Corporation's properties require permits from local authorities. Such activities are subject to local laws and regulations governing exploration activities, mining activities, exports, taxation, labor standards, health and safety, land use and environmental protection. Failure to comply with applicable laws and regulations and permit requirements or amendments to them could have a harmful effect on the Corporation and could cause an increase of capital expenditures, exploration costs or production costs, or a decrease in the levels of production. Such amendments or the implementation of such laws and regulations could further cause the abandonment or delay the development of certain properties of the Corporation.

In order for the Corporation to commence exploration or mining activities on its various properties, the Corporation must obtain all the required approvals and permits including local, provincial and other government approvals. Additional permits or studies, which may include environmental impact studies, are necessary prior to launching the mining phase on properties in which the Corporation may have an interest. To that effect, no assurance can be provided or obtained that the Corporation will be able to obtain or maintain all required permits to commence the construction, development or operation of mining facilities on these properties on terms which enable operations to be conducted at economically justifiable costs.

EMPLOYEES

As at December 31, 2020, the Corporation had a total of 223 full-time employees, of which 13 employees worked in Canada and the balance are employees of the Corporation's subsidiaries in Morocco.

FOREIGN OPERATIONS

As at December 31, 2020, all mining properties and production activities and equipment are located in Morocco.

MINING PROPERTIES

ZGOUNDER SILVER MINE

The Zgounder Silver Mine is the only material asset of the Corporation. It is located in the central Anti-Atlas Mountains in the Taroudant Province, Morocco, approximately 265 km east of Agadir.

Current Technical Report

In 2017, Aya mandated GMG to prepare a NI 43-101 compliant mineral resource estimation, defined above as the PEA Technical Report on the Zgounder Silver Mine to increase the production from 187 tpd to 500 tpd. Aya published the PEA Technical Report on February 5, 2018, and published an amended version on March 15, 2018.

On March 16, 2021, an updated mineral resource estimate for the Zgounder Silver Mine was announced. The updated Mineral Resource Estimate incorporates drilling carried out on Zgounder between February 2018 and the end of 2020. The mineral resources total 4.9 million tonnes averaging 282 g/t Ag for 44.4 million ounces Ag. This represents an increase of 340% compared to the March 2018 measured and indicated Mineral Resources of 10 million ounces Ag. The resource estimate was conducted by P&E Consultants Inc., an independent Qualified Person.

Marc-Antoine Audet, Ph.D. P. Geo, Geological Consultant and Aya Gold & Silver's Qualified Person under NI 43-101 and Eugene Puritch, P. Eng, FEC, CET, President of P&E Mining Consultants Inc., an independent Qualified Person, have reviewed and approved the new resource estimate in compliance with NI 43-101.

The report will be made available on the Corporation's website and on SEDAR by April 29, 2021.

Project Description, Location, and Access

The Zgounder Silver Mine is located in the central Anti-Atlas on the northwest flank of the Siroua massif hosted, in the Pan-African orogenic belt. The Zgounder Silver Mine is Late Neoproterozoic in age and is described as a Neoproterozoic epithermal hypogene system. It is mainly composed of a volcano-sedimentary formation (Precambrian II (PII)) intruded to the west by the Askaoun granodioritic massif (later Precambrian II-III). It covers an area of 16 km² and is situated within the Proterozoic Siroua massif (Anti-Atlas domain). The mining title number 09/2096 and exploitation license number 2306 provide surface rights and access to the property and allow any type of mining. The elevation is within a range of 2,000 to 2,180 m above sea level.

The site is accessible from Agadir by a well-maintained paved road (N10) running 216 km east to Taliouine. From Taliouine, a hillside paved road heads north 50 km to the village of Askaoun. The mine site is accessible from Askaoun by a well maintained 5 km gravel road.

Since the acquisition of the Zgounder Silver Mine in 2012, Aya started exploration and development programs that include drifting, preparation of underground shafts and drilling work. In 2015, Aya completed a DDH program totaling 5,896 m. In 2016, a total of 1,598 m were drilled using the T28 percussion hammer at level 2000 and 2100. In 2017, Aya has completed a DDH program totaling 7,243 m and a 3,220 m using the T28 percussion hammer at level 2000 and 2100. In 2018, a total of 560.4 m of percussion drilling and 4,498.9m of diamond drilling was completed on the Zgounder Silver Mine.

In 2019, a total of 30 RC holes for 3,462 m were completed. From September to December 2020, up to 6 DDH rigs were used simultaneously at surface while 2 DDH rigs were operating underground drilling 53 holes for 13,912 m. Globally, a total of 283 diamond drilling holes for 50,374 m were completed at the Zgounder Silver Mine. In addition, a total of 1,653 T28/YAK-T28 underground percussion holes for 31,719m were drilled historically and until the end of January 2021 as exploration but also production holes.

Aya had also entered into a contract, subject to certain conditions, which grants a 5% gross profit generated from the Zgounder Silver Mine, (revenues less mining and milling costs), to Global Works, Assistance and Trading SARL ("**Glowat**"), a related party to a director and previous officer of the Corporation.

The mining title number 09/2096 and exploitation license number 2306 provide surface rights and access to the property and allows any type of mining. Necessary authorization for the use of public water was obtained from the Water Basin Agency of Souss Massa Draa, including the use of spring water or groundwater necessary for the milling process. Following its use, wastewater is discharged into the tailings ponds located on the property.

History

The Zgounder Silver Mine was first exploited between the 10th and 12th centuries, principally in exposed shallow oxidized zones with native silver stringers hosted within EW, NS, NW and NE trending veins. Excavation scars are the result of these old mining operations; they can exceed 60m in depth. Evidence of these ancient operations is found locally and sectors containing many of these excavation sites have been mapped.

Historical exploration campaigns and mining activities were completed by the *Société Nationale des Autoroutes du Maroc* (1950-1955), the *Bureau de Recherches et de Participations Minières ("BRPM")* (1956-1965; 1969-1972) and the *Société Anonyme Chérifienne d'Études Minières du Maroc*, jointly with the *Bureau de Recherches et de Participations Minières (Morocco)* (1971-1972). The *Société Minière de Sidi Lahcen ("SOMIL")* operated the Zgounder Silver Mine from 1982 to 1990. Several underground drifts and adits (9,220 m in total) connected by raises (1,200 m in total) were developed. The highest adit level was excavated at 2,175 m at the eastern end of the mine and the lowest level was excavated at 1,925 m in the western sector. SOMIL extracted approximately 500,000 tons at 330 g/t Ag.

The BRPM started an exploration campaign in 1997 consisting in mapping and sampling the mineralized structures; these steps being followed by a drilling program. Seven surface holes were drilled along strikes of

mineralized zones, totaling 1,761 m of cores. The BRPM interpreted these zones as new mineralized zones parallel to, and stratigraphically beneath, the dolerite contact zone. From 2002 to 2004, the *Compagnie Minière de Touissit* (“**CMT**”) conducted surface and underground exploration programs to delimit the mineralized zones in the northern sector of the Zgounder Silver Mine and to verify the historical resource estimation as previously defined by BRPM.

CMT did exploration developments and extracted approximately 5,500 tons at 429 g/t Ag from the mine and 10,000 tons from the old mine development material at a grade of 358 g/t Ag.

Geological Setting, Mineralization, and Deposit Types

Geology

The Zgounder Silver Mine is located in the central Anti-Atlas on the northwest flank of the Siroua massif hosted in the Pan-African orogenic belt (680-580 Ma). The Pan-African orogeny started during the Middle Precambrian (Clauer, 1974) with the formation of a back-arc basin filled by a series of synorogenic volcano-sediments. The back-arc basin was covered at the end of the Precambrian by the Adoudounian marine sediments as a result of a marine transgression affecting the whole Anti-atlas. The Siroua massif is located between two major structural zones, namely a northern unit attached to the Pan-African domain and a southern unit generated by the Eburnian orogeny and accreted onto the West African Craton. The Siroua massif consists of a Pan-African bedrock (gneiss and amphibolite), which is unconformably overlaid by ophiolitic complexes and volcano-sedimentary units of alternating schist-sandstone, limestone, quartzite and turbidite. The Zgounder mineralization dates to the Late Neoproterozoic during felsic calc-alkaline/alkaline volcanic activity marking the commencement of rifting and the Infracambrian–Cambrian transgression (Buggisch and Flügel, 1988).

The geological series at Zgounder consists mainly of volcano-sedimentary formations attributed to the Precambrian II (PII), which is intruded to the west by the Askaoun granodioritic massif (later Precambrian II-III), (Demange, 1977). The series is overlaid in the east by the volcano-sedimentary rocks of the Ouarzazate series (“**PII**”) and Neogene phonolites. The Zgounder volcano-sedimentary series comprises a mixed sequence of metavolcanics, metasediments, doleritic and granodioritic intrusives. It outcrops in the form of a window of PII rocks on the south limb of a large east-west trending monocline, strongly dipping to the south. It is surrounded by PIII volcanics and volcanoclastics to the east, basal PII formations to the north, and by the Askaoun granite to the west and southwest. The geological series at Zgounder is divided into three formations (Demange, 1997), two with a major clastic component intercalated with volcanics (the ‘Blue’ and ‘Brown’ Formations) overlaid by an acid ignimbritic volcanic complex (the ‘Black Formation’).

Blue Formation

The Blue formation is 300 to 400 m in thickness, composed of sandstone, greywacke and pelites with interbedded tuffs and quartz-keratophyre. The formation terminates in an orange rhyolitic unit, which forms the ridge to the north of the mineralized zone.

Brown Formation

The Brown formation is 350 to 400 m in thickness and consists of mica schist, arenaceous schist, breccia intercalations, and pelite containing green volcanic clasts overlaid by a 45 m thick dolerite sill/dyke. The brown formation is affected by epizonal metamorphism as evidenced by weak schistosity, which is difficult to distinguish from the stratification. This formation is composed of two units: Unit 1 is 120 m in thickness and composed of heavily oxidized, coarse mica schist located north of Talat N'ouna; Unit 2 is 280 m in thickness and largely covered by the ancient tailings on the southern flank of the Oued Talat N'ouna. It is composed of a coarse-grained pelite with millimetric clasts in sericitic/chloritic tuffaceous bands. The bands have a volcano-sedimentary origin displaying polymetallic mineralization (pyrite, sphalerite, galena, arsenopyrite, silver sulphide and native silver).

Black Formation

The Black Formation is 900 m in thickness and composed of a basal felsic volcanic complex (ignimbrite, rhyolitic breccias, devitrified rhyolite, pyroclastic rocks) forming the hanging wall of the Ag-mineralization in the upper part of the Brown Formation. Further south, the upper part of the Black Formation is composed by sandstone, greywacke and some thin intercalations of polymictic conglomerate.

The Zgounder Silver Mine is crosscut by fractures of variable orientations. There are at least four fracture systems: 1) Late sub-vertical E-W fractures and shear zones; 2) N-S fractures/faults dipping steeply to the east; 3) NNE-NNW-oriented system dipping 60° at a strike of 75°E; 4) A subhorizontal system of fractures oriented NNE and NNW, which displaced the Brown Formation to the north with depth (Bounajma, 2002), above obsolete as some blocks with the flat faults are moving southward as per recent findings.

A revised model is being prepared, and the following shows an on-going modification of the previous models. There is a granitic intrusion to the North East of the mine and zone granitic contacts and fingers have been found at depth suggesting the mineralization of high-grade silver being associated with this intrusion. The southern contact with the rhyolite is irregular with blocks moving southward/northward and southward in such a way that mineralization believed to be cut by rhyolite is found displaced. The overall trend of the mineralized bodies being subvertical dipping south, it has been found that mineralization is shifted northward by the flat faults.

Mineralization

The silver mineralization occurs at the top of the Brown Formation (sandstone), predominantly along the contact and within the dolerite sill. The economic silver concentrations at Zgounder are present mainly as vertical columns, complex clusters, shear zones, veinlets and at the intersection of the E-W and N-S fractures. Though preferentially at the contact zones between schist/dolerite and rhyolite. Native silver is observed in complex sets of microfractures, mainly at intersections with sulphide veinlets (**Figure 2**) and locally accompanied by a chlorite rich alteration. Small Ag grains (average size of 50 µm) are also found in corrosion zones of early sulphides or disseminated within the schist and dolerite.



Figure 2: Silver rich proustite mineral coating fractures (left). Native silver on core (right).

According to Marcoux et al., 2015, the paragenetic sequence shows two successive stages: an early Fe–As stage, followed by an Ag-bearing polymetallic (Zn–Pb–Cu–Hg) stage. The early stage is composed of pyrite (main sulphide representing 70.3% wt of the ore) – arsenopyrite (6.1 wt% of ore). Pyrite very seldomly shows silver micro patches (20 µm).

The late polymetallic stage is composed of dominant sphalerite (17.9 wt% of ore). Electronic microprobe data suggest the presence of two generations of sphalerite: a Fe-free one (seldom, less than 1 wt% Fe) and a Fe-rich one (7–8 wt%, very common). No silver grade has been detected in sphalerite. Chalcopyrite is rare (1.8 wt%), carrying very rare Ag-poor grey copper patches (< 40 µm), as well as Agfree galena (2.3 wt%). Native silver is by far the most common silver minerals, representing 1.07 wt% of ore concentrate, and 65 to

90% of Zgounder silver amount. It is not pure silver but a Ag–Hg amalgam, forming patches 25 to 480 µm in size (average 150–250 µm). Electronic microprobe analyses established the presence of two generation large Ag-rich patches (85–95 wt% Ag, average structural formula Ag₁₇Hg) likely corresponding to a remobilization slightly posterior to the major silver deposition, characterized by smaller silver patches, less rich in silver (72 to 80 wt% Ag, average structural formula Ag₅Hg, close to that of eugenite). Native silver patches show irregular variation of Hg grade, but without regular zonisize (up to 1920 µm) and often carry myriads of native silver micropatches (less than 5 µm). It is rarely associated to small patches of polybasite (Ag₁₆Sb₂S₁₁) and pearceite (Ag₁₆As₂S₁₁).

Tennantite and tetrahedrite are very seldom; their silver grade is varying, but remains low (average: 4 wt% Ag).ng. Acanthite (Ag₂S) is the main silver sulfide, by far less abundant than native silver (Marcoux et al., 2015).

Two successive stages of Zgounder paragenetic sequence were discussed by Marcoux and Wadjinny (2005): An early Fe-As stage (silver-bearing pyrite and arsenopyrite), followed by an Ag-bearing polymetallic (Zn, Pb, Cu, Hg; sphalerite and chalcopyrite) event. The late polymetallic event involved the formation of two generations of sphalerite with Fe poor and Fe-rich components devoid of silver. Native silver is by far the most common form, representing 65 up to 90% of the total amount of silver at Zgounder. The silver mineralization consists of an Ag-Hg amalgam in the shape of 25 to 480 µm blebs (average 150 to 250 µm). Marcoux and Wadjinny (2005), revealed the presence of two generations of silver amalgam: large Ag-rich patches (85–95 wt% Ag, Ag₁₇Hg) presumably corresponding to remobilized mineralization, and “normal” blebs containing 72 to 80 wt% Ag (Ag₅Hg; close to eugenite), which represent the majority of the native silver deposit at Zgounder. Acanthite (Ag₂S) is the major silver sulphide but far less abundant than native silver and often includes several micropatches of native silver.

Based on lead isotope ratios (206Pb/204Pb: 17.89 and 207Pb/204Pb: 15.57) measured on the galena crystals of the polymetallic silver stage, the calculated age for the Zgounder silver mineralization is approximately 510 Ma (Marcoux and Wadjinny, 2005) using Stacey and Kramers (1975) model. The Zgounder lead isotopic ratios are similar to those measured at Imiter (206Pb/204Pb: around 18.10; 207Pb/204Pb: around 15.5) with a mineralization age calculated at around 550 Ma (Late-Proterozoic; Pasava, 1994; Cheilletz et al., 2002). The similar ages of Zgounder and Imiter (eastern Anti-Atlas, Morocco) imply that Zgounder is another example of a Neoproterozoic epithermal deposit in the Anti-Atlas of Morocco (Baroudi et al., 1999; Essaraj et al., 1998).

Deposit Type

The Zgounder deposit is described as a Neoproterozoic, epithermal, hypogene and is resulted from distinct stages of fluid circulation associated with two major events of mineral deposition (Essaraj et al., 1998):

- The first stage was characterized by the deposition of quartz with minor biotite and As-Co minerals with a variety of H₂O-CO₂-CH₄-rich fluids equilibrated with metasediments. These fluids were maintained at high temperatures (around 400-450°C) over a wide range of pressures during the early brittle deformation of the Brown Formation after the emplacement of the Askaoun granite.
- The second stage corresponds to the major (Cu-Zn)-Ag (Hg) mineralization deposition and clearly postdates the As-Fe mineralization. Silver deposition occurs after the crystallization of quartz-sphalerite-chalcopyrite veins, but both Cu-Zn and Ag(Hg) mineralized-bearing fluids are NaCl-CaCl₂ brines trapped under minimum temperatures of around 160°-200°C.

The origin of the Zgounder silver mineralization are thus Na-Ca brines and the main driving mechanisms for silver deposition are associated with the dilution and cooling process (Essaraj et al., 1998).

According to Marcoux et al., 2005, Zgounder is an Ag–Hg ore deposit very rich in silver. Its high mercury grade of native silver demonstrates that, similarly to Imiter, this mineral is a primary hypogene and not a secondary mineral belonging to a cementation zone. Zgounder shows strong geological, structural, mineralogical and geochemical analogies with the Imiter deposit. This epithermal nature fits well with the presence of silver and mercury; two metals typical of epithermal environments. This epithermal nature can easily be extended to

Zgounder. Moreover, it is in agreement with fluid characteristics, showing an early high temperature stage of likely magmatic origin, followed by a rapid decrease, suggesting a mixing with surficial highly saline waters. Zgounder and Imiter could thus be two expressions of a single epithermal Neoproterozoic event extending in the Anti-Atlas domain.

The Zgounder Silver Mine is crosscut by fractures of variable orientations. There are at least four fracture systems: 1) Late sub-vertical E-W fractures and shear zones; 2) N-S fractures/faults dipping steeply to the east; 3) NNE-NNW-oriented system dipping 60° at a strike of 75°E; 4) A sub-horizontal system of fractures-oriented NNE and NNW, which displaced the Brown Formation to the north with depth (Bounajma, 2002).

Using the recent drilling information, ZMSM modeled the surface of the granite at Zgounder Silver Mine. Several silver mineralisation intersects were intersected at depth at the contact with the older underlying granodiorite/granite batholite. The diamond drill holes at the eastern sector intersect the granite surface nearer to the surface than the western sector with a minimum depth of elevation around Z 1945m.

Exploration

Aya continues exploration works on the Zgounder Silver Mine. The purpose of the works is to map and sample the Northern area and to dig some trenches at the eastern sector of the property. In addition, the objectives of these works were to increase the mineral resources and to define the continuity of the mineralized bodies and develop a possible open pit operation.

Surface sampling

Aya undertook surface sampling at the northern zone of the Zgounder Silver Mine. Samples represent the Brown Formation mainly composed by metamorphosed argillite (schist) & sandstone. The sector north is essentially affected by NE-SW, NW-SE and E-W fractures. The tension gashes that originally trapped the silver mineralization within a NNE-oriented shear zone contain generally a high Ag values. Systematic sampling was done according to a regular distance of 20 m/20 m. The direction of the sampling profiles was North-South perpendicular to the stratification direction.

The western sector (the zone at the west from the Zgounder Oued) was also the subject of surface sampling. The surface samples were taken from the sandstone following the fractures-oriented WNW-ESE, NW-SE and NNW-SSE.

Surface mapping

Surface mapping was done in the western zone and about 35 measures of fault/fracture directions were taken and plotted into a stereogram. The main fault/fracture groups are oriented WNW-ESE, NW-SE and NNW-SSE.

Trenches

A total of seven trenches were dug in the eastern sector of the Zgounder property. They are mainly oriented N-S and intersect multiple shear zones mainly oriented E-W.

3D laser scanning survey

A 3D laser scan survey was conducted at Zgounder Silver Mine in 2013, 2017 and 2020 using the GeoSight cavity monitoring system (“CMS”). Underground drifts, adits (levels and sublevels) and openings were the object of the 3D laser scanning. Figure 3 presents a depiction of the CMS scan result for the Zgounder Silver Mine.

The five main levels (2000, 2100, 2125, 2150 and 2175) and five sublevels (level 2025, 2030N, 2035E, 2050S, 2075 and 2087), as well as all stopes accessible were scanned. Some of these sublevels were partially surveyed due to a lack of access.

The results of the 3D monitoring survey have been integrated with the 3D resource model using Gems a modeling and estimation software as well as in Leapfrog Geo a modeling software. This allowed to visualize the mined material within the mineralized envelopes and to account for this missing volume during estimation.

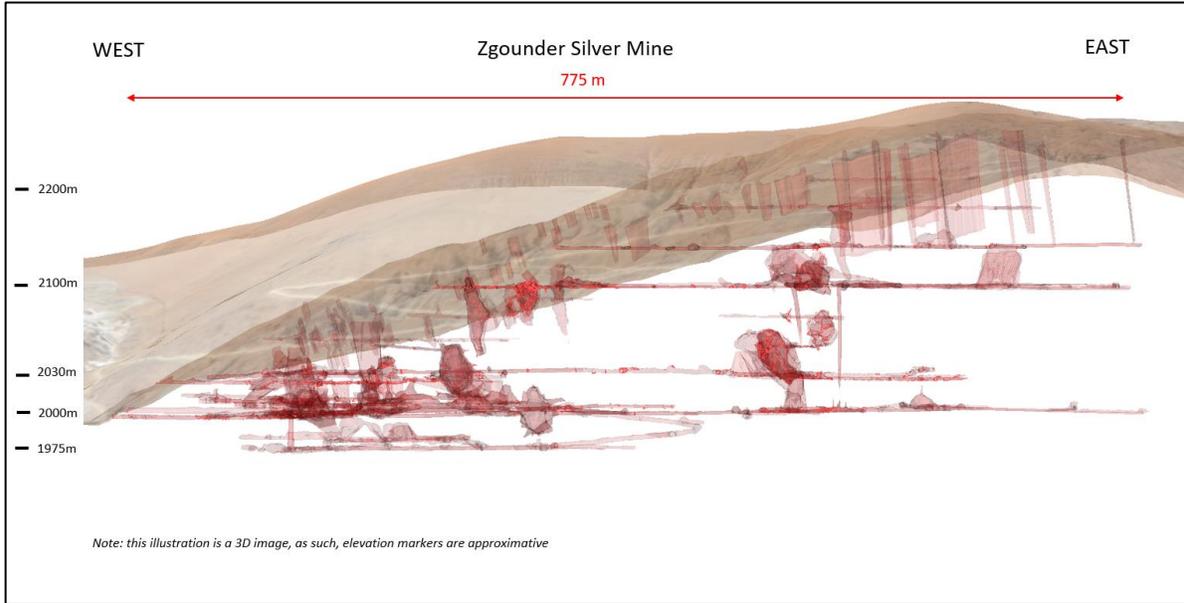


Figure 3: Longitudinal 3D CMS scan of Zgounder Silver Mine.

Drilling

As of the February 15, 2021, the drilling database comprised a total of 2,631 holes for 94,901 m.

Table 1 Zgounder drilling database per hole type

Hole-Type	Holes	Metres (m)
DDH surface	263	47,526
DDH underground	20	2,849
Reverse circulation (RC)	30	3,462
T28	1,569	29,852
YAK-T28	84	1,867
Channels	658	9,071
Trenches	7	275
TOTAL	2,631	94,901

Several exploration DDH campaigns were performed, starting in the 80's and then in 2013 and thereafter in 2015, 2017 and 2018. A 19,000m drilling program at both surface and underground started in September 2020 until mid-January 2021. In December 2020, up to six DDH rigs were used simultaneously at surface while two DDH rigs were operating underground. A total of 263 DDH for 47,526 m were completed a surface at the Zgounder property.

In 2017 a total of 30 RC drill holes were performed at surface.

Percussion drilling using air compressed hammer (T28 and YAK-T28) are routinely used for production purposes and exploration purposes. Data gathered from these T28 is not only used for the ongoing mineral resource estimations but also as leads to new mineralized areas for short term mine planning. A total of 1,653

T28/YAK-T28 holes for 31,719m were drilled historically and until the end of January 2021 as exploration but also production holes.

Underground wall and roof channel sampling were performed on all adicts, galleries and stopes. A total of 658 channels for 9,071m are used in the drilling database for the mineral resource estimation.

All drilling and channels were performed under the supervision of ZMSM geologists.

Diamond and reverse circulation drilling

A total of 283 diamond drilling holes were drilled at surface and underground at the Zgounder property. Table 2 is summarizing the distribution of DDH holes per periods.

Table 2: Zgounder’s DDH drilling database per period.

Hole-Type	Year	Holes	meterage (m)
DDH Surface	80's	102	5,396
DDH Surface	1989	10	2,282
DDH Surface	1997	8	1,761
DDH Surface	2002	27	4,005
DDH Surface	2015	2	788
DDH Surface	2017	57	14,823
DDH Surface	2018	11	4,515
DDH Surface	2019	8	2,034
DDH Surface	2020	38	11,922
Sub-total		263	47,526
DDH UG	2019	5	867
DDH UG	2020	15	1,982
Sub-total		20	2,849
Total		283	50,374

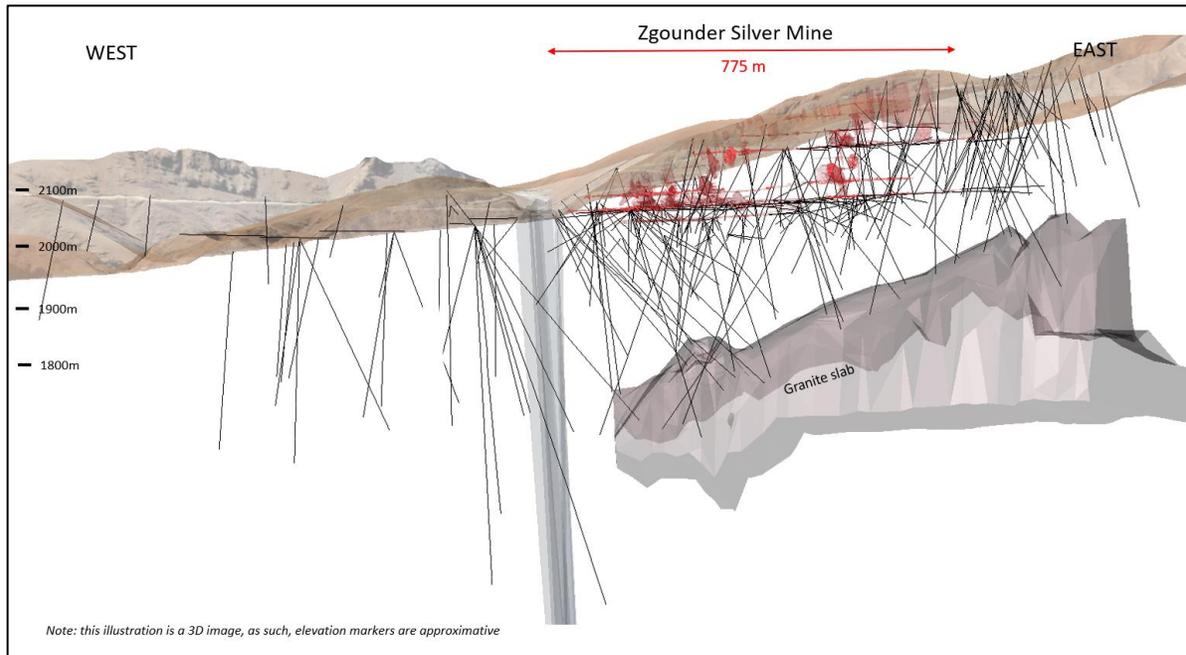


Figure 4: Longitudinal 3D section of the Zgounder Silver Mine (in red) with traces of DDH holes

Sampling, Analysis, and Data Verification

Sample preparation and analysis for samples collected from T28 drilling are done at the ZMSM's laboratory facilities at the mine site. Chips samples collected from the T28 drilling operation are collected on a 1.2m length basis. They are dried and then analysed for silver (Ag) at the Zgounder Silver Mine laboratory using Aqua regia (1/3 HNO₃ et 2/3 HCL) with finished by atomic absorption (AA). Starting in October 2020, ZMSM's geologists inserted standards, blanks and duplicates as internationally accepted procedures for quality controls and quality assurances ("QaQc"). Selected pulps were sent to ALS Seville laboratory for assaying for Ag using Aqua regia and finished by atomic absorption spectroscopy ("AAS").

As for samples generated from DDH holes the sample preparation and analysis are performed at the Afrilab in Marrakech. Each individual sample represents approximately one metre in length of core, which is halved. Half of the core is kept on site for reference, and its counterpart is sent for preparation and assaying to African Laboratory for Mining and Environment ("Afrilab") in Marrakech, Morocco.

All samples are analysed for silver, copper, iron, lead, and zinc using aqua regia and finished by AAS. Samples grading above 200 g/t Ag are reanalysed using fire assaying.

In previous years, samples from the different drill programs were analyzed by various independent and certified laboratories in Spain, Morocco and Canada.

Prior to the 2020 drilling program, all sample preparation and chemical analyses for the percussion drilling samples were performed at the Zgounder Silver Mine laboratory. The core sample was entirely crushed to have d80 passing 2 mm and afterward riffled and split to have 100 grams which was then pulverized to have a pulp d80 of 75 microns.

The samples were subjected to a chemical digestion using the bi-acid (acid nitric for 1/3 and acid hydrochloric for 2/3) in order to put in solution the chemical elements present within the samples. These solutions were analyzed by atomic absorption spectrometer (AA iCE 3500). Fire assay was used for high grade silver samples.

The assay results were then sent in a file format supported in Microsoft Excel to the geological department for integration.

As required by NI 43-101, ZMSM used a system of quality control to monitor the laboratory performance, in addition to the internal QaQc system enforced by the laboratories. ZMSM used standards, blanks and duplicate samples to be inserted as Quality Control ("QC") samples into the batches of core and T28 samples in the 2020 drilling campaigns. At the logging facility, prepared samples will be numbered sequentially so that samples, blanks, standards and duplicates cannot be distinguished by the laboratory.

Duplicates, blanks and standards are inserted sequentially all 50th samples within the DDH sample flow. Duplicates, blanks and standards are inserted sequentially all 25th samples within the T28 sample flow.

Mineral Resource and Mineral Reserve Estimates

The updated Mineral Resource Estimate incorporates drilling carried out on Zgounder between February 2018 to the end of 2020 and has an effective as at March 1, 2021. Zgounder's Measured and Indicated Mineral Resources total 4.9 million tonnes averaging 282 g/t Ag for 44.4 million ounces Ag (**Table 2**).

In 2020, a drilling program totalling 284 surface and underground combined DDH for 19,000 metres was carried out on Zgounder. The campaign had two objectives: first, to increase the confidence level of the Mineral Resources by converting the 28.3M Ag ounces of Inferred Mineral Resource into the Measured and Indicated classification; and second, to identify new prospective mineralization at depth and better characterize the Mineral Resource potential in the eastern part of the deposit. Aya succeeded on both counts, extending the mineralization approximately 90 metres along the eastern strike extension and at depth.

In addition to the Mineral Resources In **Table 2**, an Exploration Target has been established for Zgounder at depth and along lateral extensions with a grade range between 190 and 295 g/t Ag within 3 to 6 million tonnes

containing 20 to 60 million Ag ounces. The Exploration Target was derived from a larger mineralized envelope including all mineral intersects while excluding the Mineral Resources reported in **Table 2**. The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the exploration target being delineated as a Mineral Resource. A 3D block model was created for the Zgounder Silver Mine and for the historical tailings located a few hundred metres northwest of the mine site. A geological rock code system was introduced and assigned to the various lithological units and mineralized domains. Continuity directions were assessed based on the orientation of the domains and the spatial distribution of silver. Separate variograms were generated for 1.2m down-hole silver composites within each domain. Mineralization modelling, grade estimation and Mineral Resource reporting were conducted using Gemcom™, Leapfrog™, Snowden Supervisor™ and NPV Scheduler™ software. Ordinary kriging was used for grade estimation into 5.0 m x 2.5 m x 5.0 m model blocks.

For core drilling, all individual samples representing an approximate one meter in length of drill core, were sawn in half. One of the drill core halves is kept on site for reference, and its counterpart is sent for preparation and assaying to the Afrilab in Marrakech, Morocco. All samples are analyzed for silver, copper, iron, lead, and zinc using aqua regia and finished by AAS. Samples grading above 200 g/t Ag are re-analyzed using fire assaying. Certified reference materials, blanks and duplicates were introduced as controls into the analytical sample stream. In addition, Afrilab inserted their internal QA/QC controls.

Table 2 Mineral Resource Estimate, Zgounder, as of March 1, 2021⁽¹⁻¹²⁾

Area	Classification	Cut-Off (Ag g/t)	Tonnes (k)	Ag (g/t)	Ag (k oz)
Pit- Constrained	Measured	70	534	301	5,158
	Indicated	70	150	190	916
	M&I	70	684	277	6,074
Out-of-Pit	Measured	125	3,052	303	29,704
	Indicated	125	885	275	7,815
	M&I	125	3,937	296	37,519
	Inferred	125	59	209	395
Tailings	Indicated	50	272	94	817
Total	Measured	70 & 125	3,586	302	34,862
	Indicated	50, 70 & 125	1,307	227	9,548
	M&I	50, 70 & 125	4,893	282	44,410
	Inferred	125	59	209	395

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that Mineral Resources will be converted to Mineral Reserves. No Inferred Mineral Resources were reported for this update.
2. The Inferred Mineral Resource in this estimate has a lower level of confidence that that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
3. The Mineral Resources in this news release were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
4. A silver price of US\$20/oz with a process recovery of 85%, US\$30/ton rock process cost, US\$20/ton tailings process cost and US\$7/ton G&A cost were used.

5. The constraining pit optimization parameters were US\$2/t mineralized and waste material mining cost and 50-degree pit slopes with a 70 g/t Ag cut-off.
6. The out-of-pit parameters used a US\$30/ton mining cost. The out-of-pit Mineral Resource grade blocks were quantified above the 125 g/t Ag cut-off, below the constraining pit shell and within the constraining mineralized wireframes. Out-of-pit Mineral Resources exhibit continuity and reasonable potential for extraction by the cut and fill underground mining method.
7. The tailings parameters were at a US\$2/ton mining cost, and Mineral Resource grade blocks were quantified above the 50 g/t Ag cut-off.
8. Individual calculations in tables and totals may not sum correctly due to rounding of original numbers.
9. Grade capping of Ag outliers using thresholds based on statistical distribution for each geological domain were as follows: Domain SE100 (7.4 kg/t), Domain NW200 (6.5 kg/t), Domain NE300 (2.3 kg/t) and Domain SW400 (7.4 kg/t).
10. Block bulk density was determined from measurements taken from core samples and averaged 2.75 t/m³ for the main mineralized host rock type.
11. 1.2m composites were used during grade estimation.
12. Previously mined areas of the deposit were depleted from the Mineral Resource Estimate.

Table 3 Cut-Off Sensitivity of Out-of-Pit Measured and Indicated Mineral Resources ⁽¹⁻¹²⁾

Cut-Off (Ag g/t)	Tons (k)	Ag (g/t)	Ag (k oz)
200	2,113	418	28,373
175	2,526	380	30,854
150	3,106	339	33,868
125	3,937	296	37,519
100	5,337	248	42,526
75	7,983	194	49,847

Mineral Processing and Metallurgical Testing

Metallurgical Testing

Before and after operations at Zgounder (1982 to 1990), many metallurgical tests (ex. gravity, flotation and cyanidation) have been done on the ore and/or the old mine tailings. These tests have been mainly performed by the BRPM and the *Bureau de Recherche Géologique et Minière*.

Before the construction of the flotation plant, Yantai Xinhai Mining Research & Design Co., Ltd. (“Xinhai”) undertook laboratory testwork on a 30-kilogram sample from the Zgounder deposit. The objective was to determine a suitable flowsheet for the 500 tons per day flotation plant. The laboratory tests included: gravity, flotation, granulometry chemistry, ore density and tailings settling rate.

The cyanidation plant has a nameplate capacity of 185 tpd. It includes a two-stage crushing circuit with an intermediate storage silo, and a final storage silo feeding the two cyanidation processing lines. Each line includes a ball mill grinding circuit, four leaching reactors, counter current decantation thickeners. The pregnant solution is then pumped into the Merrill Crow cementation plant, where silver is precipitated, then smelted into 16kg silver bars.

The 500 tpd flotation plant was designed to recover the silver by a gravity-flotation process and incorporates the following sections: three stages crushing plant, two 500-ton ore bins, a two-stage grinding circuit including a gravity recovery system, a flotation circuit concentrate thickening. A concentrate regrind circuit is also available. The flowsheets for the cyanidation plant and the flotation plant are presented below.

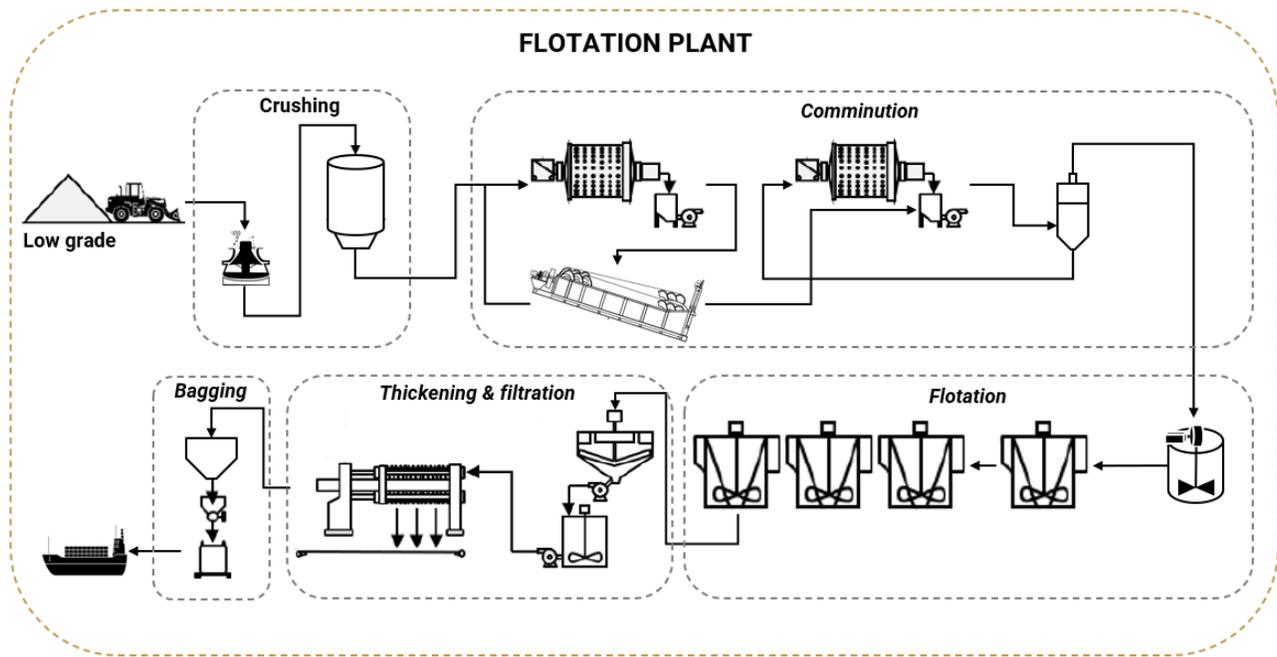


Figure 5: Flotation plant simplified flowsheet

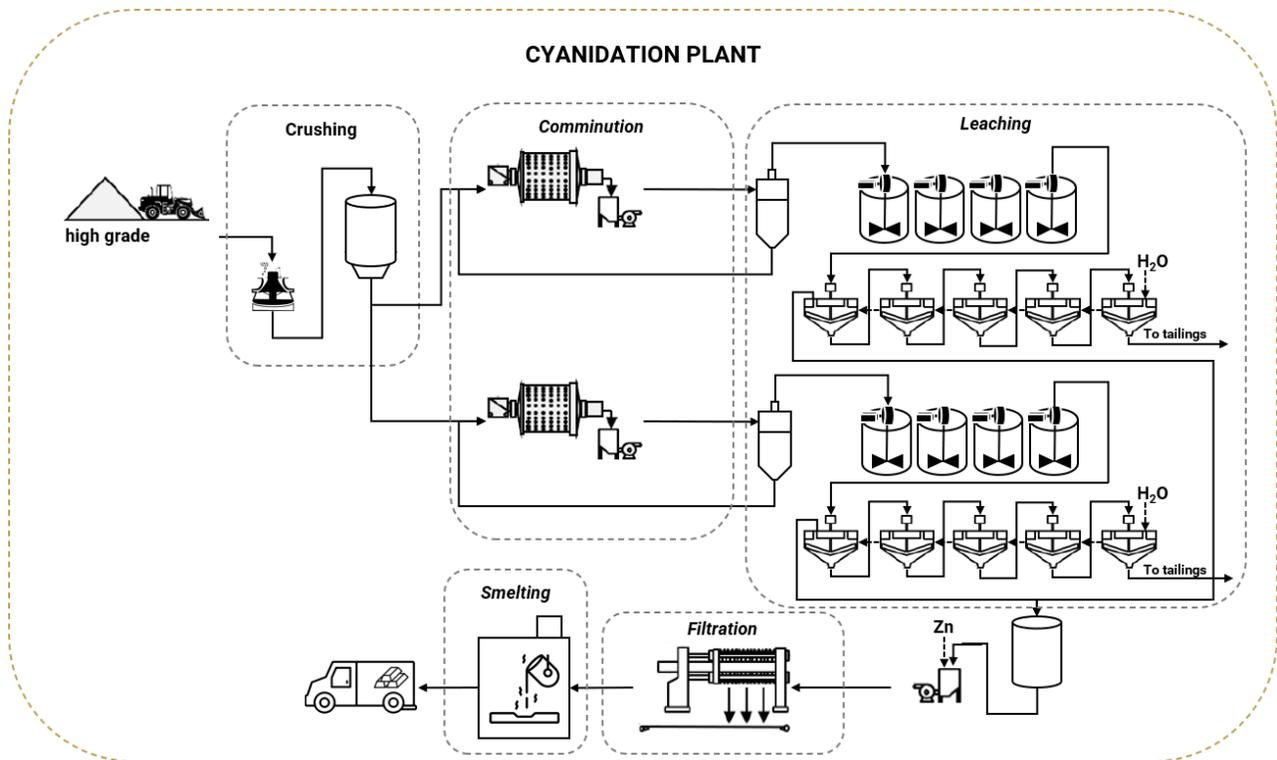


Figure 6: Cyanidation plant simplified flowsheet

Mining

The Zgounder deposit is located in competent rock and has a steep overall dip. The historic mining method used at Zgounder is shrinkage stoping. To increase selectivity and ore recovery the cut and fill method is under development for new mining stopes. The main ramp is at the 2,000 m level and connects all existing levels to the east above the 2,000 m up to 2,100 m level. An access ramp from the 2000 level to the 1975 level was also built. In the future, another access ramp to the 1,800 m level below the 2,000 m level will be built to reach the developed levels down to 1,925 m and the future levels down to 1,800 m. This will facilitate the development and the transportation of backfill when required above 2,100 m elevation.

As the mine has previously been in production, few new developments are required above 2,000 m. The total of additional development required is estimated at 20% of mineralized material tonnage with an average of 3.0m linear meters per working day. There is a provision in the sustaining capital for an average of 6.0m linear per working day, including the ramp (3.4m x 4m section), for a total of 4,691m for the major access and a 315m internal shaft for the life of mine (“**LOM**”).

According to the historical and current mine production, the mining dilution is 10% and the mining recovery is 97%.

Infrastructure, Permitting, and Compliance Activities

Through 2020, an important upgrade to site infrastructure was planned, including refurbishing of residential houses on site, reorganization of the circulation plan to manage the multiple roads onsite and the construction of a new office building including a cafeteria, a living space and a gym.

Electrical energy

The Zgounder Silver Mine is connected to the Office National d'Électricité et de l'Eau – Morocco (“**ONEE**”) national power grid. The Zgounder mine is connected by a substation directly connected to the national network. ZMSM has an agreement for 2.4MVA with discussions to increase its power draw to 3.5KVA

Water line and tailings

Fresh water is obtained from the “Makost” source which is fed to the mill by gravity and provides 14 to 20 m³/h of water depending on the season. Recycled water is obtained from two sources: the flotation plant tailings dam which provides 45 m³/h and pumped back to the mill and the cyanidation plant tailings dam which provides 20 m³/h and fed to the mill by gravity. Finally, mine dewatering water also provide sporadic fresh water to the milling installation.

A secondary well, located approximately 1km away from the “Makost” well is currently being studied. Additionally, two 30,000m³ retention ponds are being constructed to ensure water availability year-round.

There are four tailing dams on site. The oldest one was decommissioned many years, ago, before Aya. A second one was used for the flotation plant but was also decommissioned considering its suboptimal design. Two tailing dams are currently left in operation, one for the flotation plant, and the other for the cyanidation plant.

Site camp

The staff housing and offices are on site and owned by the Corporation. Expansion and renovations of the existing accommodation camp (on-site personnel and administrative buildings) are taking place to house new employees as production increases. A health clinic is also on site along with an ambulance.

Repair shop and warehouse

These installations are on-site. A new garage and warehouse are currently in construction.

Explosives

The explosives are kept in safe area at about 150 meters from the offices. A new underground explosive storage facility is under construction. This will allow the use of ANFO, thus reducing cost and improving fragmentation.

On-site roads

All on-site roads, culverts, bridges and drainage are in proper working condition and are operated by the Corporation's on-site personnel.

Permits

Four permits are required for the Zgounder Silver Mine, they are:

Land Title

The land title No.09/2096 is in effect and in good standing.

Operating License by Administrative Authorities

ONHYM delivered to Aya the operating license No. 2306 including prospecting. This license also provides surface rights and access to the property and allows any type of mining.

Building Permits

All the necessary permits for the operation of the mine are in good standing. New buildings will be subject to obtaining a new building permit provided by the Municipality in accordance with regulations governing the planning.

Authorizations for use of public water

All necessary authorizations for the use of public water must be obtained from the Water Basin Agency of Souss Massa Draa, including the spring water or groundwater necessary for the mining process and the discharges of treated wastewater into wadis, and the temporary occupation of wadi banks.

Additional permits and/or modifications to the existing ones may be required from time to time.

Capital and Operating Costs

Initial Capital Costs

As at December 31, 2020, initial capital costs for the Zgounder Silver Mine \$19.1 have been incurred.

Operating Costs

The following table presents 100% of the silver production statistics for the Zgounder Silver Mine for the financial year ended December 31, 2020. The Zgounder Silver Mine is owned and operated by the Zgounder Silver Millennium SA in which we own an 85% equity interest.

Key Performance Metrics	2020	2019
Operational		
Ore Processed (tons)	128,923	100,667
Average Grade (g/t Ag)	255	218
Mill Recovery (%)	68.7%	64.2%
Silver Ingots Produced (oz)	439,448	286,294
Silver in Concentrate for Sale Produced (oz)	286,871	166,122
Total Silver Produced (oz)	726,319	452,416
Silver Production Cost per Ounce (\$/oz)	13.46	11.38

Taxes & Royalties

The tax rate for the Zgounder Silver Mine is 17.5%.

Aya and ONHYM signed, in 2012, an agreement for the development and the exploitation of the Zgounder Silver Mine. ZMSM was established in January 2014 with Aya (85%) and ONHYM (15%) as shareholders. The ONHYM received this ownership, free of charge, until the mining of 6 million ounces of silver. Once the 6 million ounces is mined, the 15% free carry to the ONHYM becomes participating. A net smelter royalty of 3% is also due to ONHYM.

In 2013, the Corporation entered into a net-profit interest agreement with Glowat, a related party to the previous CEO and director of the Corporation, 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 said agreement following the departure of the former CEO.

RISK FACTORS

The business of the Corporation involves a high degree of risk and must be considered highly speculative due to the financial and operational risks inherent to the nature of the Corporation's business and the present stage of exploration and development of its mineral resource properties. These risks may affect the Corporation's profitability and level of operating cash flow. Prospective buyers of the common shares of the Corporation should give careful consideration to all information contained or incorporated by reference in this AIF and, in particular, the following risk factors.

FINANCIAL RISK FACTORS

Disclosure and description of the Corporation's capital management, financial risks and financial instruments in notes 18, 19 and 20 of the audited consolidated financial statements for the year ended December 31, 2020 contain the risk factors associated with the Corporation.

RISKS INHERENT TO MINING EXPLORATION

The Corporation is engaged in the business of operating, exploring, developing, and acquiring mineral properties in the hope of locating or expanding on economic mineral deposits. Except for the Zgounder Silver Mine, 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 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 based on 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 several 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.

CYBER SECURITY THREATS

As alluded to above, the Corporation is subject to cyber risk as a result of increased digital transformation and reliance on relatively new operational technology, which could make us vulnerable to data breaches. There can be no assurance that such risk from current or future exploitable vulnerabilities of the Corporation's information technology systems will not adversely impact its future cash flows, earnings, results of operations and financial condition. In particular, the Corporation may suffer lost revenue arising from breach costs, including legal expenditures and regulatory fines/penalties, costs associated with incident investigations, assessments, audits and communication management, the expense of notifying victims and appropriate authorities, as well as revenue churn due to reputational damage following a data breach.

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.

DIVIDENDS

The Corporation has currently no dividend policy. The amount of cash dividends, if any, to be paid is subject to the approval of the Board of Directors and may adapt given a range of factors such as: (i) the prevailing economic and ore-processing environment; (ii) the Corporation's operational results and net earnings; (iii) the Corporation's financial condition; (iv) capital requirements for the operations and growth of the Corporation; (v) contractual restrictions on its current loan; (vi) other relevant factors and conditions that may have consequences over time. To date, it has not declared or paid any cash dividends on any of its issued shares.

CAPITAL STRUCTURE

The authorized share capital of the Corporation consists of an unlimited number of common shares without par value. There were 94,548,161 common shares issued and outstanding as of the date of this AIF. The Corporation also has 6,570,625 stock options outstanding, at exercise prices ranging from CAD\$ 1.43 to CAD\$ 4.75 and 6,108,747 warrants are outstanding with an exercise price of C\$3.30 per warrant until September 3, 2023.

The holders of common shares of the Corporation are entitled to one vote per common share at all meetings of the shareholders of the Corporation. The holders of common shares have the right to receive dividends if, as and when declared by the board of directors. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, the holders of the common shares are entitled to receive the remaining property and assets of the Corporation pro rata according to the number of common shares held.

MARKET FOR SECURITIES

TRADING PRICE AND VOLUME

The Corporation's common shares are currently listed and posted for trading on the TSX under the symbol "AYA".

The following table shows the price ranges and volume of the common shares traded in 2020.

Month	High (\$)	Low (\$)	Volume
January	2.29	1.76	473,493
February	1.80	0.82	980,252
March	1.58	0.85	1,374,020
April	2.00	0.88	867,211
May	2.10	1.61	827,456
June	2.50	1.27	1,339,098
July	2.25	1.29	2,101,969
August	2.96	2.10	1,642,127
September	2.83	2.10	1,653,686
October	3.29	2.53	1,594,737
November	3.5	2.76	1,835,033
December	3.97	2.79	4,794,701

DIRECTORS AND OFFICERS

DIRECTORS

The board of directors is currently comprised of seven directors, each of whom is elected at each annual meeting of shareholders to hold office for one year or until his successor is elected or appointed, unless he resigns or his office becomes vacant.

The following table sets forth, as at March 31, 2021, for each director and officer, his name, place of residence, his principal occupation during the past five years, as well as the year during of his election or nomination as director or officer of the Corporation, along with the number of common shares owned by them. The Directors and Officers have provided their respective information.

Name and Municipality of Residence	Positions held within the Corporation	Director or Officer Since	Principal Occupation during the five preceding years	Number and Percentage of Common Shares owned as at Dec 31, 2020
Dr Elena Clarici ⁽¹⁾⁽³⁾ London, England	Director	June 2018	President and CEO of Micah Minerals Corp.	50,000 0.05%
Benoit La Salle ⁽²⁾ Montréal, Québec, Canada	President, Chief Executive Officer and Director	April 2020	Chartered Professional Accountant; Chairman of the Board and Chief Executive Officer of Algold Resources Ltd.; President and Chief Executive Officer of Windiga Energy Inc Canada (November 2010 to date) Chairman of the Board of The Canadian Council on Africa (October 2012 to date) Executive Chairman of the Board of Sama Resources Inc. (2012 to date); Director of Earth Alive Clean Technologies Inc. (October 2015 to date)	0 0.0%
Yves Grou ⁽¹⁾⁽²⁾ Montreal, Quebec Canada	Director	June 2020	Chartered Professional Accountant	0 0.0%
Dr. Jürgen Hambrecht ⁽²⁾ Neustadt, Germany	Director	June 2020	Chairman of the Supervisory Board of BASF SE	1,193,250 1.26%

Name and Municipality of Residence	Positions held within the Corporation	Director or Officer Since	Principal Occupation during the five preceding years	Number and Percentage of Common Shares owned as at Dec 31, 2020
Nikolaos Sofronis ⁽³⁾ Luxembourg, Luxembourg	Director	June 2016	Director of Irini of Investment of Luxembourg	2,154,361 2.28%
Robert Taub Brussels, Belgium	Chairman of the Board of Directors	November 2016	Investor, Board member and former CEO of NASDAQ companies	9,284,162 9.83%
Nicholas Taylor ⁽¹⁾ London, England	Director	June 2020	Investor, Board member and CEO of NASDAQ companies	0 0.0%

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance and Compensation Committee
- (3) Member of the Environmental, Health and Safety and Sustainability Committee

As the date hereof, the directors and executive officers of the Corporation and its subsidiaries as a group own beneficially, directly or indirectly, or exercise control or direction over 12,681,773 common shares of the Corporation or 13.41% of the outstanding common shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the best of the Corporation's knowledge, after having made due inquiry, (i) no director or officer of the Corporation or shareholder holds a sufficient number of securities of the Corporation to affect materially the control of the Corporation and (ii) the Corporation confirms that no proposed Director of the Corporation:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while that person was acting in that capacity:
 - i. was subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - ii. was subject to an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director or executive officer of any company, including the Corporation, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

- (c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, nor has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed Director.

Mr. Benoit La Salle is the President, Executive Officer and director of Algold, against which the *Autorité des marchés financiers* and the British Columbia Securities Commission handed down a cease-trade order on June 22, 2020 for having failed to file its annual statements for the fiscal year ended December 31, 2019. In addition, this decision came into affect automatically in every jurisdiction in Canada that the Company in which has an automatic reciprocity legislation. This cease-trade order is still in effect.

Mr. Yves Grou is a director of Algold, against which the *Autorité des marchés financiers* and the British Columbia Securities Commission handed down a cease-trade order on June 22, 2020 for having failed to file its annual statements for the fiscal year ended December 31, 2019. In addition, this decision came into affect automatically in every jurisdiction in Canada that the Company in which has an automatic reciprocity legislation. This cease-trade order is still in effect.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of the Corporation or its subsidiaries may be subject in connection with the operations of the Corporation or its subsidiaries. Some of the directors and officers are engaged and will continue to be engaged, directly or indirectly, in other businesses and situations may arise where some of the directors and officers will be in direct competition with the Corporation or its subsidiaries. Conflicts, if any, will be subject to the procedures and remedies under the *Canada Business Corporations Act*. No conflicts of interest currently exist between the Corporation or its subsidiaries and a director or officer of the Corporation or its subsidiaries.

AUDIT COMMITTEE INFORMATION

THE AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

A copy of the audit and risk management committee charter is attached to this AIF as Schedule "A".

COMPOSITION OF THE AUDIT COMMITTEE

The following directors are members of the audit committee:

- Yves Grou, Chairman of the committee
- Nicholas Taylor
- Elena Clarici

All the members of the audit committee are financially literate and independent as defined in National Instrument 52-110 – *Audit Committees* (for the purposes of Québec, Regulation 52-110 respecting *Audit Committees*) (Regulation "52-110").

RELEVANT EDUCATION AND EXPERIENCE

The education and experience of each audit committee member that is relevant to the performance of his responsibilities are as follows:

Mr. Grou is a CPA CA, having received his Bachelor in Commerce degree from McGill University. He is a member of the Quebec Institute of Chartered Accountants. He was co-founder in 1980 and a partner until 2004 of Grou, La Salle & Associates (“GLA”). The firm grew from two original partners to a staff of over 50. He developed a business valuation expertise, having several high-profile clients. At GLA, Mr. Grou coordinated and led the reverse take-over process related to several public companies, having successfully completed several transactions with mining, oil and gas, telecommunications and medical devices companies of which some were located in France, Cuba, Thailand, West Africa and China. In 2004, GLA was sold to a major international accounting firm. Prior to 1980, Mr. Grou worked with Ernst & Young (Montreal) for three years. In addition to his current directorships, Mr. Grou is/was part of a board of directors of several public companies, in natural resources, renewable energy and materials.

Mr. Nicholas Taylor is a finance, strategy and business development professional with over 25 years of experience. He is currently the principal of a private consulting business working mainly with private equity investing in Metals & Mining space. Previously, he was European Head of Natural Resources Investment Banking at the Royal Bank of Canada and, from 2011 to 2015, he was Asia-Pacific Co-Head of Natural Resources Investment Banking, at Deutsche Bank. He began his career in London with Price Waterhouse where he qualified as a Chartered Accountant. He holds both an MA and BA (Hons) in Natural Sciences from the University of Cambridge.

Dr Elena Clarici is an independent mining consultant, with more than 20 years of experience gained across mining capital markets at various financial institutions in the City of London, most recently as portfolio co-manager of Scipion Mining and Resources Fund and the mining investment analyst for the group, Scipion Capital. Originally Elena was trained as a sell-side mining analyst with T. Hoare & Co (acquired by Canaccord Genuity) specializing in North American junior mining and exploration companies. Elena was also trained as an investment banker and mining corporate financier with ABN AMRO Bank. In 2004, she co-founded Commodity Energy Capital (CeCap LLP) – a boutique investment advisor and asset manager to family offices and investment funds providing investment analysis and technical and financial due diligence for their natural resources investments. Dr Clarici obtained her B.Eng. in Mining Engineering from University of Belgrade. She completed her MPhil and PhD at Royal School of Mines, Imperial College of Science and Technology, London. The members of the Corporation’s audit committee have provided the information disclosed hereinabove.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on any exemptions identified in Section 4, 5 or 6 of Regulation 52-110F1.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year, a recommendation of the audit committee to nominate or compensate an external auditor was not adopted by the board of directors.

PRE-APPROVAL POLICIES AND PROCEDURES

The audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

EXTERNAL AUDITOR SERVICE FEES

	2020	2019
Audit Fee ⁽¹⁾	\$203,518	\$153,800
Audit-Related Fees ⁽²⁾	\$63,000	\$13,100
Tax Fees ⁽³⁾	Nil	Nil
Other ⁽⁴⁾	\$7,140	\$1,340
Total	\$273,658	\$168,240

Notes:

- (1) Audit Fees include the aggregate fees billed by Aya's external auditor for audit services.
- (2) Audit-Related Fees include the aggregate fees billed for assurance and related services by Aya's external auditor that are related to the performance of the audit or review of the financial statements and are not reported under "Audit Fee". These include additional resources provided to the Corporation by the external auditor to complete the audit and additional time provided as the Corporation transitioned to new management.
- (3) Tax fees include fees for assistance with tax planning, during restructurings and when taking a tax position, as well as preparation and review of income and other tax returns and tax opinions.
- (4) Other fees include fees services related to the Corporation's financing and regulatory compliance.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Neither the Corporation nor its subsidiaries is party to any legal proceedings nor regulatory actions as of the date of the AIF. Neither the Corporation nor its subsidiaries was a party or the subject of such legal proceedings or regulatory actions in the last financial year. The Corporation is not aware of any contemplated legal proceedings or regulatory actions involving it or its subsidiaries.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below, no director, executive officer or principal shareholder of the Corporation, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect the Corporation or any subsidiary of the Corporation.

- A firm, of which a former director of the Corporation is a partner, charged professional fees amounting to \$99,688 recorded as professional fees (2019 - \$34,130). As at December 31, 2020, \$1,479 (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 \$66,599 recorded as professional fees (2019 - \$nil). As at December 31, 2020, \$80,527 (December 31, 2019 - \$nil) was due to that firm;
- A Net profit interest to Glowat, a private company owned by a party related to a former officer and director of the Corporation, was \$nil (2019 - \$203,219). As at December 31, 2020, \$195,133 (December 31, 2019 - \$191,423) was due to Glowat;
- A company where the Corporation's Chief Executive Officer is also the Director and Executive Chairman of the Board charged management and consulting fees amounting to \$69,848 (2019 - \$nil) and \$3,686 in general and administrative fees (2019 - \$nil). As at December 31, 2020, \$693 (December 31, 2019 - \$nil) was due to that company;
- A company owned by the Chief Executive Officer and a Director of the Corporation charged management and consulting fees of \$324,881 (2019 - \$nil) and general and administrative fees of \$33,327 (2019 - \$nil). As at December 31, 2020, \$190,953 (December 31, 2019 - \$nil) was due to that company;
- A consulting company, of which an officer of the Corporation is the sole owner, charged professional fees amounting to \$78,861 recorded as professional fees (December 31, 2019 - \$nil). As at December 31, 2020, \$19,043 (December 31, 2019 - \$nil) was due to that company.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Corporation is Computershare Investor Services Inc. having offices in Montréal, Toronto, Calgary and Vancouver.

MATERIAL CONTRACTS

No contract, other than those contracts entered into in the ordinary course of business, have been entered into by the Corporation since the beginning of the last financial year ended December 31, 2020, or entered into prior to such date, but which are still in effect and which are required to be filed with Canadian securities regulatory authorization in accordance with Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations* (for the purposes of Québec, Regulation 51-102 respecting *Continuous Disclosure Obligations*) (“**NI 51-102**”).

INTERESTS OF EXPERTS

The following are the names of persons or companies (a) that have prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing made under NI 51-102 by the Corporation, during, or relating to, the Corporation's most recently completed financial year; and (b) whose profession or business gives authority to the statement, report or valuation made by the person or the Corporation:

- Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, provided an auditor's report dated March 25, 2021, in respect of the Corporation's financial statements for the year ended December 31, 2020 and 2019.

To the best of the Corporation's knowledge, the experts named above did not have any registered or beneficial interest, direct or indirect, in any securities or other property of the Corporation, when the experts prepared their respective reports, and no securities or other property of the Corporation or one of its subsidiaries was subsequently received or to be received by such experts.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR web site at www.sedar.com.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, where applicable will be contained in the Corporation's management information circular in respect of its next annual meeting of shareholders involving the election of directors.

Additional financial information is provided in the annual audited financial statements of the Corporation for the year ended December 31, 2020 and the notes thereto and also in management's discussion and analysis for the same period.

SCHEDULE "A" - AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

The following charter, which shall be interpreted to be in compliance with *Regulation 52-110 respecting Audit Committees ("52-110")*, sets forth the purpose, composition, responsibilities and authority of the Audit and Risk Management Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Aya Gold & Silver Inc. (the "Corporation").

1. COMPOSITION

The Committee shall be comprised of at least three directors as determined by the Board. The members of the Committee shall be independent, within the meaning of 52-110.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee shall be financially literate.

For the purposes of this charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The appointment of members to the Committee shall take place annually pursuant to the recommendation of the Corporate Governance Committee, as early as possible after the general assembly of shareholders. If the appointment of members of the Committee is not so made, the directors who are then serving as members of the Committee shall continue to serve as members until their successors are validly appointed. The Board may appoint a member to fill a vacancy that occurs in the Committee between annual elections of directors.

Unless a chairman is appointed by the Board, the members of the Committee may designate a chairman by a majority vote of all Committee members.

2. MEETINGS AND PROCEDURES

The Committee shall meet at least quarterly, or more frequently if required.

At all meetings of the Committee, every item brought to resolution shall be decided by a majority of the votes cast. In the case of an equality of votes, the chairman shall not be entitled to a second vote.

Quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each member (including the chairman of the Committee) is entitled to one vote in Committee proceedings.

The Committee may meet separately with senior management and may request that any member of the Corporation's senior management or the Corporation's outside counsel or independent auditors to attend meetings of the Committee or other meetings with any members of, or advisors to, the Committee.

Furthermore, the Committee has the authority to hire the services of outside advisors, from time to time, when it is necessary to do so for carrying out its mandate.

The Committee shall, at the meeting of the Board following its own meeting, report to the directors on its work, activities and recommendations.

3. DUTIES AND RESPONSIBILITIES

Responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in the officers of the Corporation and is overseen by the Board. The responsibility of the Committee is to assist the Board in fulfilling its oversight responsibilities. The following are the general duties and responsibilities of the Committee:

3.1 FINANCIAL STATEMENTS AND DISCLOSURE MATTERS

- 3.1.1 review the Corporation's financial statements, management's discussion and analysis and any press releases regarding annual and interim (as required by the Board) profit or loss, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;
- 3.1.2 assess the risk that the financial statements contain material misstatements
- 3.1.3 assess the accounting principles used and their application, as well as being aware of new and developing accounting standards that may affect the Corporation
- 3.1.4 assess the significant estimates made by management; and
- 3.1.5 assess the disclosures in the financial statements

3.2 INDEPENDENT AUDITORS

- 3.2.1 recommend to the Board the selection and, where applicable, the replacement of the independent auditors to be appointed annually as well the compensation of such independent auditors;
- 3.2.2 determine that the independent auditors appointed are a Public Accounting Firm that has entered into a Participation Agreement as such terms are defined in Regulation 52-108 respecting Auditor Oversight and that at the time of their report on the annual financial statements of the Corporation, they are in compliance with any restrictions or sanctions imposed by the Canadian Public Accountability Board;
- 3.2.3 oversee the work and review annually the performance and independence of the independent auditors;
- 3.2.4 on an annual basis, review and discuss with the independent auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- 3.2.5 consult with the independent auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- 3.2.6 review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former independent auditors of the Corporation;
- 3.2.7 review the audit plan for the year-end financial statements and intended template for such statements;
- 3.2.8 review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the independent auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
 - 3.2.8.1 the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its independent auditors during the fiscal year in which the non-audit services are provided; and

3.2.8.2 such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and

3.2.8.3 such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee;

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audited services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

3.3 FINANCIAL REPORTING PROCESSES

3.3.1 review with management, in consultation with the independent auditors, the integrity of the Corporation's financial reporting process, both internal and external, and internal controls;

3.3.2 consider the independent auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;

3.3.3 consider and report to the Board changes to the Corporation's auditing and accounting principles and practices as suggested by the independent auditors and management;

3.3.4 review any significant disagreement among management and the independent auditors in connection with the preparation of the financial statements;

3.3.5 review, with the independent auditors and management, the extent to which changes and improvements in financial or accounting practices have been implemented;

3.3.6 establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

3.4 RISK MANAGEMENT

3.4.1 Assess and oversee the overall process for identifying principal business, political, financial and control risks and providing its views on the effectiveness of this process to the Board.

3.4.2 direct the facilitation of risk assessments and measurement to determine the material risks to which the Corporation may be exposed and to evaluate the strategy for managing those risks;

3.4.3 monitor the changes in the internal and external environment and the emergence of new risks;

3.4.4 review the adequacy of insurance coverage;

3.4.5 monitor the procedures to deal with and review disclosure of information to third parties insofar as these disclosures represent a risk for the Corporation;

3.4.6 Review the systems established to ensure compliance with the Corporation's policies, plans, procedures, laws, regulations and means of safeguarding assets including adequacy of controls including surrounding electronic data processing and computer security;

- 3.4.7 Review the adequacy of resources assigned to assess control and what steps the officers of the Corporation have taken to eliminate any potentially serious weaknesses in internal control including a review of executive expense procedures and use of Corporation assets, the capital investment control process and financial instruments procedures;
- 3.4.8 Review the Corporation's disclosure controls and procedures and internal control over financial reporting (the "Controls"), and consider whether the Controls:
 - 3.4.8.1 provide reasonable assurance that material information relating to the Corporation, including its consolidated subsidiaries, if any, is made known to the Corporation's Chief Executive Officer and Chief Financial Officer, particularly during the period in which the Corporation's annual filings are being prepared; and
 - 3.4.8.2 provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Corporation's accounting practices.
- 3.4.9 The Committee shall evaluate the effectiveness of the Controls as of the end of each period covered by the annual filings and provide the Board and management with its conclusions about the effectiveness of the Controls.

3.5 WHISTLEBLOWING POLICY

- 3.5.1 monitor and review compliance with the Corporation's Whistleblowing Policy;
- 3.5.2 establish a procedure for the receipt and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;

3.6 REPORTING RESPONSIBILITIES

- 3.6.1 the Committee shall report to the Board on a regular basis, and in any event:
 - 3.6.1.1 at least annually, with an assessment of the performance of management in the preparation of financial statements and Auditors in conducting the annual audit of the Corporation and discuss the report with the full Board following the end of each fiscal year;
 - 3.6.1.2 before the public disclosure by the Corporation of its financial statements, management's discussion and analysis and any press releases regarding annual and interim profit or loss and any reports or other financial information which are submitted to any governmental body or to the public; and
 - 3.6.1.3 as required by applicable legislation, regulatory requirements and policies of the Canadian Securities Administrators.

3.7 ANNUAL EVALUATION

- 3.7.1 annually, the Committee shall, in a manner it determines to be appropriate:
 - 3.7.1.1 conduct a review and evaluation of the performance of the Committee and its members, including the compliance of the Committee with this charter; and
 - 3.7.1.2 review and assess the adequacy of this charter and the position description for the chairman of the Committee and recommend to the Board any improvements to this charter or the position description that the Committee determines to be appropriate, except for minor technical amendments to this charter, authority for which is delegated to the Corporate Secretary, who will report any such amendments to the Board at its next regular meeting.