CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

GOLD & SILVER

Management’s Responsibilities over Financial Reporting

The Financial Statements of Aya Gold & Silver Inc. (the "Corporation" or "Aya") are the responsibility of the Corporation’s management. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and reflect management’s best estimates and judgment based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited.

KPMG LLP
600 de Maisonneuve Blvd. West
Suite 1500, Tour KPMG
Montréal (Québec) H3A 0A3
Canada

Telephone (514) 840-2100
Fax (514) 840-2187
Internet www.kpmg.ca

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Aya Gold & Silver Inc.

Opinion

We have audited the consolidated financial statements of Aya Gold & Silver Inc. (the "Entity"), which comprise:

- the consolidated statements of financial position as at December 31, 2022 and December 31, 2021
- the consolidated statements of comprehensive (loss) income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Evaluation of Indicators of Impairment for Exploration and Evaluation Assets

Description of the Matter

We draw attention to Notes 3 and 6 of the consolidated financial statements. The Entity has exploration and evaluation assets totaling $33,686,830 which comprise rights on mining properties of $19,919,726 and deferred exploration and evaluation expenses of $13,767,104. The carrying amounts of exploration and evaluation assets are assessed by the Entity for impairment when indicators of impairment exist, typically when one of the following circumstances applies:

- Exploration rights have expired or will expire in the near future
- No significant future exploration expenditures are foreseen
- No commercially viable quantities are discovered, and exploration and evaluation activities will be discontinued
- Exploration and valuation assets are unlikely to be fully recovered from successful development or sale.

The Entity completes an evaluation at each reporting period of potential impairment indicators. If any such indicators exist, then the asset's recoverable amount is estimated.

Why the Matter is a Key Audit Matter

We identified the evaluation of indicators of impairment for exploration and evaluation assets as a key audit matter. This matter represented an area of significant risk of material misstatement given the magnitude of rights on mining properties and deferred exploration and evaluation expenses. This matter was of most significance due to the difficulties in evaluating the results of our audit procedures to assess the Entity's determination of whether the factors, individually and in aggregate, resulted in indicators of impairment.

How the Matter was Addressed in the Audit

The primary procedures we performed to address this key audit matter included the following:

We assessed that the Entity's evaluation of potential impairment indicators was consistent with:

- Information included in the Entity's press releases
- Evidence obtained in other areas of the audit, including the results of exploration activities and any updates to estimates of mineral reserves and resources
- Information obtained from:
  i. Reading the Entity's internal communications to management and the Board of Directors
  ii. Inspecting publicly available information for changes in the price of applicable commodity prices.

We assessed the status of the Entity's rights to explore by discussing with management and reviewing available correspondence with government authorities to identify if any rights could be lost or not renewed by the government authorities.

We considered the activities to date in each area to which the Entity has a right to explore by comparing the actual expenditures to the budgeted expenditures and available cash flow to meet these budgeted expenditures. We evaluated the Entity's ability to accurately budget the expenditures by comparing the Entity's prior year's budgeted expenditures to the actual expenditures incurred.

We assessed if substantive expenditures on further exploration for the evaluation of mineral resources in each area that the Entity has a right to explore are planned or discontinued by inspecting budgeted expenditures.

Other Information

Management is responsible for the other information. Other information comprises:

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Alain Bessette.

KPMG LLP*

Montréal, Canada

March 28, 2023

*CPA auditor, public accountancy permit No. A115894

Aya Gold & Silver Inc.
Consolidated Statements of Financial Position
(in United States dollars)

	December 31, 2022	December 31, 2021
	$	$
ASSETS		
Current		
Cash and cash equivalents	**39,360,138**	81,665,834
Accounts receivable	**2,344,064**	2,167,539
Sales taxes receivable	**8,347,469**	4,699,052
Inventories (Note 4)	**7,687,862**	4,376,272
Prepaid expenses and security deposits	**1,494,721**	754,683
Options contracts (Note 21)	**580,954**	200,793
	59,815,208	93,864,173
Non-current		
Restricted cash (Note 20)	**2,489,287**	2,519,385
Non-refundable deposits to suppliers	**579,759**	1,355,487
Property, plant, and equipment (Note 5)	**60,233,289**	37,861,996
Exploration and evaluation assets (Note 6)	**33,686,830**	25,656,837
TOTAL ASSETS	**156,804,373**	161,257,878
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**22,170,150**	13,957,575
Balance of purchase price payable (Note 8)	**1,435,723**	-
Income tax payable (Note 17)	**474,912**	3,248,575
Current portion of lease liabilities (Note 9)	**160,306**	244,634
	24,241,091	17,450,784
Non-current		
Lease liabilities (Note 9)	**126,694**	181,245
Balance of purchase price payable (Note 8)	**-**	1,393,461
Asset retirement obligations (Note 10)	**1,021,373**	1,149,441
Deferred income tax (Note 17)	**1,106,156**	1,081,258
TOTAL LIABILITIES	**26,495,314**	21,256,189
EQUITY		
Share capital (Note 11)	**170,684,153**	169,628,275
Equity reserves	**8,588,832**	15,560,651
Deficit	**(53,551,256)**	(52,233,997)
	125,721,729	132,954,929
Non-controlling interests	**4,587,330**	7,046,760
TOTAL EQUITY	**130,309,059**	140,001,689
TOTAL LIABILITIES AND EQUITY	**156,804,373**	161,257,878

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Board,

Benoit La Salle /s/
President, CEO, Director

Yves Grou /s/
Director

Aya Gold & Silver Inc.
Consolidated Statements of Comprehensive (Loss) Income
(in United States dollars)

	Year ended December 31, 2022	2021
	$	$
Revenue from silver sales (Note 15)	**38,244,921**	34,301,914
Cost of sales (Note 16)	**27,960,944**	18,292,185
Gross margin	**10,283,977**	16,009,729
Expenses		
General and administrative (Note 18)	**5,192,290**	5,818,888
Share-based payments (Note 13)	**3,251,888**	4,311,841
	8,444,178	10,130,729
Operating income	**1,839,799**	5,879,000
Net finance (income) expense (Note 18)	**(2,761,242)**	308,762
Other expenses	**20,761**	452,855
Net income before income taxes	**4,580,280**	5,117,383
Income tax expense (Note 17)	**3,182,692**	3,845,241
Net income	**1,397,588**	1,272,142
Net income (loss) attributable to		
Equity holders of Aya Gold & Silver Inc.	**465,615**	(306,642)
Non-controlling interests	**931,973**	1,578,784
Net income	**1,397,588**	1,272,142
Other comprehensive (loss) income		
Items that will subsequently be reclassified to net income:		
Foreign currency translation adjustment	**(9,719,324)**	(304,410)
Comprehensive (loss) income	**(8,321,736)**	967,732
Basic income per common share (Note 23)	**0.013**	0.013
Diluted income per common share (Note 23)	**0.012**	0.012
Weighted average number of shares - basic (Note 23)	**105,276,451**	98,347,565
Weighted average number of shares - diluted (Note 23)	**113,041,925**	102,985,107

The accompanying notes are an integral part of these consolidated financial statements.

Aya Gold & Silver Inc.
Consolidated Statements of Changes in Equity
(in United States dollars)

	Share Capital		Equity Reserves					
	Number of issued and outstanding shares	Share capital	Contributed surplus[(a)]	Accumulated other comprehensive income (loss)[(b)]	Equity Reserves	Deficit attributable to equity holders of Aya Gold & Silver Inc.	Non-controlling interests	Total equity
		$	$	$	$	$	$	$
Balance as at December 31, 2021	**104,879,153**	**169,628,275**	**18,012,460**	**(2,451,809)**	**15,560,651**	**(52,233,997)**	**7,046,760**	**140,001,689**
Exercise of warrants and options (Note 11 & Note 12)	128,683	978,527	(427,032)	-	(427,032)	-	-	551,495
Issued in connection with vested and issued units (Note 11 & Note 13)	12,354	77,351	(77,351)	-	(77,351)	-	-	-
Share-based payments (Note 13)	-	-	3,251,888	-	3,251,888	-	-	3,251,888
	105,020,190	**170,684,153**	**20,759,965**	**(2,451,809)**	**18,308,156**	**(52,233,997)**	**7,046,760**	**143,805,072**
Net income	**-**	**-**	**-**	**-**	**-**	**465,615**	**931,973**	**1,397,588**
Other comprehensive loss	-	-	-	(9,719,324)	(9,719,324)	-	-	(9,719,324)
Comprehensive (loss) income	**-**	**-**	**-**	**(9,719,324)**	**(9,719,324)**	**465,615**	**931,973**	**(8,321,736)**
Acquisition of non-controlling interest (Note 26)	**-**	**-**	**-**	**-**	**-**	**(1,782,874)**	**(3,391,403)**	**(5,174,277)**
Balance as at December 31, 2022	**105,020,190**	**170,684,153**	**20,759,965**	**(12,171,133)**	**8,588,832**	**(53,551,256)**	**4,587,330**	**130,309,059**
Balance as at December 31, 2020	92,181,714	95,513,459	16,155,512	(2,147,399)	14,008,113	(48,487,280)	891,776	61,926,068
Issuance of shares for acquisition of Algold (Note 7)	2,820,736	10,076,294	-	-	-	-	-	10,076,294
Exercise of warrants and options (Note 11 & Note 12)	3,046,703	8,836,323	(2,454,893)	-	(2,454,893)	-	-	6,381,430
Share-based payments (Note 13)	`	-	4,311,841	-	4,311,841	-	-	4,311,841
Shares issuance	6,830,000	55,202,199	-	-	-	-	-	55,202,199
Share issue costs	-	-	-	-	-	(3,440,075)	-	(3,440,075)
Non-controlling interest of Algold (Note 26)	-	-	-	-	-	-	4,576,200	4,576,200
	104,879,153	**169,628,275**	**18,012,460**	**(2,147,399)**	**15,865,061**	**(51,927,355)**	**5,467,976**	**139,033,957**
Net (loss) income	-	-	-	-	-	(306,642)	1,578,784	1,272,142
Other comprehensive loss	-	-	-	(304,410)	(304,410)	-	-	(304,410)
Comprehensive (loss) income	**-**	**-**	**-**	**(304,410)**	**(304,410)**	**(306,642)**	**1,578,784**	**967,732**
Balance as at December 31, 2021	**104,879,153**	**169,628,275**	**18,012,460**	**(2,451,809)**	**15,560,651**	**(52,233,997)**	**7,046,760**	**140,001,689**

(a) Contributed surplus reserve records the cumulative amounts of compensation expense recognized under IFRS 2 Share-Based Payment with respect to share purchase options granted, shares purchase warrants, restricted share units and deferred share units issued but not yet exercised.
(b) Accumulated other comprehensive income (loss) reserve records the gains and losses arising from the translation of the Corporation's Financial Statements to the reporting currency.

The accompanying notes are an integral part of these consolidated financial statements.

Aya Gold & Silver Inc.
Consolidated Statement of Cash Flows
(in United States dollars)

	Year ended December 31,	
	2022	2021
Cash flows provided by (used in)	**$**	$
OPERATING ACTIVITIES		
Net income	**1,397,588**	1,272,142
Adjustments for non-cash items		
Share-based payments (Note 13)	**3,251,888**	4,311,841
Depreciation of property, plant, and equipment (Note 5)	**6,342,209**	3,198,076
Accretion expense (Note 18)	**249,885**	229,445
Unrealized loss on foreign exchange	**1,309,580**	1,342,364
Deferred income taxes expense	**138,351**	7,559
Change in fair value of options contracts	**(617,945)**	(373,020)
	12,071,556	9,988,407
Changes in working capital items (Note 22)	**(2,422,782)**	7,513,832
	9,648,774	17,502,239
INVESTING ACTIVITIES		
Net change in restricted cash	**30,098**	246,499
Assets acquisition of Algold (Note 7)	**-**	(3,353,541)
Transaction costs for assets acquisition of Algold (Note 7)	**-**	(198,858)
Deposits to suppliers for capital expenditures	**-**	(1,328,896)
Acquisition of non-controlling interest (Note 26)	**(5,174,277)**	-
Acquisition of property, plant and equipment (Note 5)	**(33,514,281)**	(7,865,975)
Additions to exploration and evaluation assets (Note 6)	**(9,800,692)**	(11,087,543)
	(48,459,152)	(23,588,314)
FINANCING ACTIVITIES		
Repayment of lease liabilities (Note 9)	**(244,966)**	(235,106)
Proceeds from options contracts	**134,068**	38,296
Proceeds from exercise of warrants (Note 12)	**48,970**	5,366,346
Proceeds from exercise of options (Note 13)	**502,525**	1,015,084
Proceeds from share issuance	**-**	55,202,199
Share issue costs	**-**	(3,440,075)
	440,597	57,946,744
Effect of exchange rate changes on cash in foreign currencies	**(3,935,915)**	(728,234)
Net change in cash	**(42,305,696)**	51,132,435
Cash, beginning of period	**81,665,834**	30,533,399
Cash, end of period	**39,360,138**	81,665,834

Supplemental cash flow information (Note 22)

The accompanying notes are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

Aya Gold & Silver Inc. (the "Corporation or "Aya") is a Canadian based precious metals mining corporation which focuses on the exploration, development, production and acquisition of precious metals mining projects. The Corporation is concentrated on producing silver and exploration activities at its flagship project, the Zgounder property through its 100% ownership of Zgounder Millennium Silver Mine S.A ("ZMSM"). The Corporation also owns 85% of the Boumadine polymetallic project and is the sole owner of the permits related to the Amizmiz, Azegour, Zgounder Regional and Imiter bis properties. All of these properties are located in the Kingdom of Morocco. The Corporation also owns through Algold Resources Ltd. ("Algold"), 75% of the Tijirit project located in Mauritania. Aya's registered office is located at 1320 boulevard Graham, suite 132, Mont-Royal, Quebec, Canada, H3P 3C8.

Aya is incorporated under the Canada Business Corporations Act; its financial year-end is December 31 and trades on the Toronto Stock Exchange under the symbol "AYA". All projects other than the Zgounder project are at the exploration and evaluation stage.

2. BASIS OF PRESENTATION

Statement of compliance

The consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Board of Directors approved and authorized for issue these consolidated financial statements, on March 28, 2023.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for:

(i) Option contracts, which are accounted for at fair value;

(ii) Share-based payment arrangements, which are measured at fair value on grant date;

(iii) Asset retirement obligations, which are measured at the discounted estimated cost of future remediation;

(iv) Lease liabilities, which are initially measured at the present value of minimum lease payments; and

(v) Non-controlling interest which is initially measured at the proportionate share of the acquiree's identifiable net assets as at the date of acquisition.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

Consolidation, functional and presentation currency

These consolidated financial statements include the accounts of Aya and its subsidiaries. Subsidiaries are entities over which the Corporation has control. The Corporation controls an entity when it has power over the entity, when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns. These consolidated financial statements include the accounts of Aya, and its subsidiaries as follows:

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Subsidiary	Registered	Ownership, voting right	Principal activity	Functional currency
Compagnie Minière Maya-Maroc S.A. ("CMMM")	Morocco	100%	Exploration	Moroccan dirham
Zgounder Millennium Silver Mining S.A. ("ZMSM")	Morocco	100%	Production	Moroccan dirham
Boumadine Global Mining S.A. ("BGM")	Morocco	85%	Exploration	Moroccan dirham
Atlas Gold & Silver S.A.R.L.("AGS")	Morocco	100%	Exploration	Moroccan dirham
Kanosak (Barbados) Limited ("KANOSAK")	Barbados	100%	Exploration	Canadian dollar
Algold Resources Ltd. ("Algold")	Canada	100%	Exploration	Canadian dollar
Algold Mauritania S.A.R.L. ("ALGOLD SARL")	Mauritania	100%	Exploration	Mauritanian Ouguiya
Société Tijirit Recherche et Exploration S.A.R.L. ("TIREX")	Mauritania	75%	Exploration	Mauritanian Ouguiya
Precious Metal Finance and Services Inc. ("PMFS")	Cayman Islands	100%	Services	United States dollar

Subsidiaries are fully consolidated from the date on which control is transferred to Aya and are de-consolidated from the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Where the Corporation's interest in a subsidiary is less than 100%, the Corporation recognizes non-controlling interests.

The functional currency of Aya is the Canadian dollar. The functional currency of the Corporation and its subsidiaries has remained unchanged during the reporting period. The Corporation's presentation currency is the US dollar.

Non-controlling interest

Non-controlling interests are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Corporation's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions and no gain or loss is recognized in profit or loss.

Leases

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initial lease liabilities adjusted for lease payments on or before the commencement date, plus initial direct costs incurred and an estimate of all the costs for dismantling and removing the underlying asset, less any lease incentives received, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The right-of-use asset is depreciated over the shorter of the estimated useful life of the underlying asset or the lease term on a straight-line basis. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability using the effective interest method and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Lease payments relating to leases with a lease term of 12 months or less and leases for which the underlying asset is of low value are recognized on a straight-line basis as an expense in profit or loss.

Foreign currency

Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date into the respective Corporation's entity currency, whereas non-monetary assets and liabilities denominated in a foreign currency are translated into the respective Corporation's entity at the exchange rate in effect at the transaction date. Revenue and expenses denominated in a foreign currency are translated at the average rate in effect during the year except for depreciation that is translated at the historical rate. Gain and losses on exchange arising from the translation of foreign operations are recorded in the consolidated statements of comprehensive income (loss).

Foreign operations

On consolidation, assets and liabilities of the subsidiaries that have a presentation currency other than the US dollar are translated into US dollars on consolidation at the exchange rate in effect on the consolidated statement of Financial Position date and revenues and expenses are translated at the average rate over the reporting year. Gains and losses from these translations are recognized in other comprehensive (loss) income. On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash balances held with banks and brokers and highly liquid short-term investments with terms of three months or less. Cash and cash equivalents unavailable for use by the Corporation's or its subsidiaries due to certain restrictions that may be in place are classified as restricted cash.

Inventories

Supply, ore, and precious metals inventories are valued at the lower of cost and net realizable value. The cost of supply inventories is measured at the lower of cost using the weighted average cost formula and net realizable value. The cost of ore and precious metals inventories are measured using the specific cost method and includes all expenses directly attributable to the mineral extraction and processing processes, including the cost of supply consumed, direct labour and a systematic allocation of fixed and variable production overheads that are incurred in extracting and processing ore. Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated cost to completion and estimated selling expenses.

Property, plant and equipment

Property, plant and equipment ("PP&E") are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PP&E consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

When a mining project reaches the development phase, exploration and evaluation expenditures, as well as development expenditures, are capitalized to mining assets under development. Capitalized costs, including mineral property acquisition costs, mine development and construction costs, are not depreciated until the time at which the related mining property has reached a pre-determined level of operating capacity intended by management.

Management considers several factors in determining when a mining property is ready for use in the manner intended by management including:

- When the mine is substantially complete and ready for its intended use;
- The ability to sustain ongoing production at or near nameplate capacity;
- Mineral recoveries are at or near the expected level; and
- The completion of a reasonable period of testing of the mine plant and equipment.

Upon reaching the commercial production stage, costs are transferred from mining assets under development into the appropriate asset classes and depreciation commences. Once in the production stage, metal sales are recognized as revenue and production costs as a component of mine operating costs.

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. The estimated useful lives, depreciation method and rates for the current and comparative years are as follows:

Asset	Basis	Rate/period
Drilling and mining equipment	Linear	10 years
Furniture	Linear	5 years
Mining vehicles	Linear	4 years
Computers	Linear	4 years
Mining and processing equipment	Units of production	N/A
Mining assets in production	Units of production	N/A

Mining and processing equipment and mining asset in production are depleted based on the unit of production method, which is based on production and estimated recoverable ounces of silver based on estimated proven and probable reserves.

Estimates for depreciation methods, useful lives and residual value are reviewed at the end of each financial period and adjusted prospectively, if appropriate.

Repairs and maintenance costs are charged to the consolidated statement of income (loss) during the year in which they are incurred unless the PP&E are used in mineral properties under development for which the costs are capitalized in the mining assets under development.

The carrying amount of an item of PP&E is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PP&E is included in profit or loss when the item is derecognized.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Exploration and evaluation assets

Exploration and evaluation assets ("E&E") are comprised of rights on mining properties or options to acquire undivided interests in mining rights, deferred exploration and evaluation expenses and mining properties. Once the legal right to explore has been acquired, they are recorded on a property-by-property at their acquisition cost or at their recoverable amount being the higher of their fair value less cost to sell or their value in use following a devaluation caused by an impairment of value. Expenditures incurred prior to securing the legal rights to explore an area are expensed immediately.

E&E costs typically consider prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. E&E expenditures also include overhead expenses directly attributable to the related activities.

Upon determination of the technical feasibility and commercial viability of extracting a mineral resource, the Corporation performs an impairment test, based on the recoverable amount, prior to reclassification of E&E to PP&E under Mining assets under development in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources. The demonstration of the technical feasibility and commercial viability, and its approval by the Board of Directors, are the key points at which the Corporation determines that it will develop the project.

Proceeds on the sale of interests in exploration properties are applied to reduce the related carrying costs; any excess is reflected as a gain in the consolidated statement of comprehensive income (loss). Losses on partial sales are recognized and reflected in the consolidated statement of comprehensive income (loss). Whenever a mining property is considered no longer viable or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in profit or loss.

Impairment of non-financial assets

At the end of each reporting year and when impairment indicators are identified, the Corporation reviews the carrying amounts of its non-financial assets which are composed of property, plant and equipment and exploration and evaluation assets, to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs must be determined. In testing an individual asset or cash generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit.

The recoverable amount is the higher of an asset or a cash generating unit’s fair value less cost to sell or its value in use. Value in use takes into account estimated future cash flows associated with the asset or cash generating unit, such value being discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash generating unit.

In the case of exploration and evaluation assets, impairment reviews are carried out on a property-by-property basis or by areas of interest, with each property representing a potential cash-generating unit, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

A previous impairment is reversed if the asset's recoverable amount exceeds its carrying amount. However, the impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Provisions

A provision is recognized when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provisions for asset retirement obligations and environmental remediation, restructuring costs and legal claims, where applicable, are recognized when:

- The Corporation has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation;
- The amount can be reliably estimated.

Provisions are measured at management's best estimate of the expenditures required to settle the obligation at the end of the reporting year and are discounted to present value where the effect is material. The increase in the provision due to passage of time is recognized as finance expense. Changes in assumptions or estimates are reflected in the year in which they occur.

Provision for asset retirement obligations represents the legal and constructive obligations associated with the eventual dismantling of the Corporation's buildings and equipment related to mining production. These obligations consist of costs associated with the removal of tangible assets.

The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, excluding the risks for which future cash flow estimates have already been adjusted. The schedule of expenditures was determined by taking into account the proven and probable reserves and the estimated annual production level.

Post-employment benefits and short-term employee benefits

The Corporation provides post-employment benefits through a multi-employer contribution plan. Under this plan, the Corporation pays contributions, established according to a percentage of employee's salary, to a pension fund, independently managed. The Corporation has no legal or constructive obligations to pay contributions after its payment of the fixed contribution during the employment period.

Short-term employee benefits, including vacation entitlement, are current liabilities included in "accounts payable and accrued liabilities", and are measured at the undiscounted amount that the Corporation expects to pay.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Income taxes

Income tax on income for the years presented comprises current and deferred tax. Income tax is recognized in income except to the extent that it relates to items recognized in other comprehensive loss or in equity, in which case it is recognized in other comprehensive loss or in equity, respectively.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that do not affect accounting or taxable income; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date and which are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset only when the Corporation has a legally enforceable right and intention to set-off current tax assets and liabilities from the same taxation authority.

Share capital and warrants

Share capital and warrants are classified as equity. The Corporation allocates the proceeds from an equity financing between common shares and warrants based on the relative fair value of each instrument using the Black-Scholes pricing model for the warrants' valuation.

Share-based payment transactions

Equity-settled share-based payments were made in exchange for services received, for the acquisition of properties or for settlement of debentures. The value of the equity instruments granted is determined upon the fair value of the services received or the properties acquired unless impracticable. In such case, the fair value of the services rendered, or the properties acquired is determined indirectly by reference to the fair value of the equity instruments granted. The fair value of share-based payments to directors, officers, employees and consultants with employee-related functions is recognized as an expense over the vesting period with a corresponding increase to the share purchase options component of the equity. The fair value is measured at the grant date and recognized over the period during which the share purchase options vest or the service period for consultant that do not qualify as an employee of the Corporation.

The fair value of the share purchase options granted is measured using the Black-Scholes option pricing model and takes into account the terms and conditions upon which the share purchase options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share purchase options that are expected to vest. Upon the exercise of share-based payments, the proceeds received, net of any direct expenses, as well as the related compensation expense previously recorded into the share purchase options account are credited to share capital.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Deferred share units

The Deferred Share Unit Plan ("DSU Plan") provides for the payment of directors' compensation with deferred share units ("DSUs"). Each DSU is a right granted by the Corporation to an eligible director to receive an equivalent to the value of one common share on termination of service. DSU compensation are ultimately recognized as an expense in the consolidated statements of comprehensive income (loss) as deferred share unit expense. The DSUs can be settled either in cash or equity upon vesting at the discretion of the Corporation. The Corporation intends to settle all DSUs in equity. The number of DSUs to be granted under the DSU Plan is determined by dividing the director's compensation by the volume-weighted average price of the Common Shares on the Exchange for the five trading days immediately preceding the last business day of the fiscal quarter. The Corporation recognizes compensation expenses related to the granting of DSU's at fair value.

Restricted share units

The Restricted Share Unit Plan (the "RSU Plan") allows the grant to directors, employees, or service providers non-transferable restricted share units ("RSUs") based on the value of the Corporation's share price at volume-weighted average price of the Common Shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of grant. Unless otherwise stated, the awards typically have a vesting schedule over a three-year period and can be settled either in cash or equity upon vesting at the discretion of the Corporation. The Corporation intends to settle all RSUs in equity. The Corporation recognizes compensation expenses related to the granting of RSU's at fair value.

Share issue expenses

Share issue expenses are accounted for as decrease of equity when incurred by increasing the deficit.

Other elements of equity

Accumulated other comprehensive income (loss) includes the impact of converting the accounts of Aya and the Corporation's foreign subsidiaries into US dollars which is the reporting currency. Contributed surplus includes charges related to share purchase options expired, warrants and amounts allocated to the equity component of convertible debentures when the conversion option expired. Deficit includes all current and prior year retained profits or losses.

Income (loss) per share

The Corporation presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the income or loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the income or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential ordinary shares.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Revenue recognition

The principal activity from which the Corporation generates its revenue is the sale of silver to third parties. Revenue is measured based on the consideration specified in the contract with the customer. Revenue of sales of silver ingots is recognized at a point of time when the Corporation transfers control of a product to the customer, which generally occurs when the customer confirms acceptance of the precious metals. Revenue of silver concentrate is recognized at a point of time when the Corporation transfers control of a product to the customer, which generally occurs when the silver concentrate is transferred to the ship transporting the product.

Financial assets and liabilities

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured initially at fair value. If the financial asset or liability is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's or liability's acquisition or origination. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expired.

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. At initial recognition, the Corporation classifies its financial instruments in the following categories depending by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset:

Financial assets and liabilities	Classification
Cash and cash equivalents	Amortized cost
Restricted cash	Amortized cost
Accounts receivable	Amortized cost
Options contracts	Fair value through profit and loss
Accounts payable and accrued liabilities	Amortized cost
Interest and net profit interest payable to a related party	Amortized cost
Balance of purchase price payable	Amortized cost

Income and expenses related to financial assets that are recognized in the consolidated statement of comprehensive income (loss) are presented as finance income and finance expense.

Financial assets at amortized cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interests. These assets are subsequently measured at amortized cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. Discounting is omitted where the effect of discounting is immaterial.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Financial liabilities at amortized cost

Financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest rate method.

Options contracts at fair value through profit and loss

Options contracts are measured at fair value with changes in fair value going through profit and loss. Assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized as Fair Value Through Profit and Loss ("FVTPL"). Furthermore, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. The Corporation does not use hedge accounting for its derivative financial instruments.

Impairment of financial assets

The Corporation uses the expected credit losses impairment model with respect to its financial assets carried at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Corporation accounts for the expected credit losses using the simplified approach over the life of trade receivables. Expected credit losses over the life of the asset are expected credit losses for all the default events that a financial instrument may experience over its expected life. The assessment of expected credit losses reflects reasonable and justifiable information about past events, current circumstances and forecasts of events and economic conditions and considers the factors specific to the account receivable, the general condition of the economy and a current as well as expected appreciation of the condition prevailing at the financial position date, including the time value of the money, if any.

New or revised accounting standards or interpretations and modifications to significant accounting policies Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Corporation.

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB. None of these Standards or amendments to existing Standards have been adopted early by the Corporation. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Corporation’s consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Significant accounting judgments and estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported year. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Significant estimates and judgments used in applying accounting policies that have most significant effect on the amount recognized in the consolidated financial statements are as follows:

Significant Accounting Judgements

Identifying a business acquisition

Management must use its judgment in determining whether a transaction is a business combination or a purchase of assets in accordance with the criteria established in IFRS 3 Business combinations. The acquisition of an asset or a group of assets that constitute a business is accounted for as a business combination and may give rise to goodwill, whereas an asset purchase does not, thereby impacting subsequent depreciation expense and/or impairment testing results.

Start of development phase

The Corporation evaluates the potential of each project to determine when the project should progress from the exploration and evaluation phase to the development phase. Once management has determined that a project has demonstrated a potential for development based on a number of judgmental criteria, such as technical feasibility and commercial viability, and once approval by the Board of Directors, the project moves into the development phase. At this point, all related amounts are reclassified from mining assets under development to mining properties.

Start of commercial production phase

The Corporation assesses the stage of completion of each mining assets under development to determine when it begins commercial production. This being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location. The Corporation considers various relevant criteria to assess when the production phase is considered to have commenced. Some of the criteria used to identify the commercial production start date include, but are not limited to:

- When the mine is substantially complete and ready for its intended use;
- The ability to sustain ongoing production at or near nameplate capacity;
- Mineral recoveries are at or near the expected levels; and
- The completion of a reasonable period of testing of the mine plant and equipment.

Functional currency

Judgment was applied in determining the functional currency of the Corporation’s production entity (ZMSM) based on its mine operating costs and revenues and capital expenditures, exploration and administration costs.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. This determination requires significant judgment. Factors which could trigger an impairment review for exploration and evaluation assets include, but are not limited to:

- Exploration rights have expired or will expire in the near future;
- No significant future exploration expenditures are foreseen;
- No commercially viable quantities are discovered and exploration and evaluation activities will be discontinued;
- Exploration and evaluation assets are unlikely to be fully recovered from successful development or sale.

If such circumstances exist, the recoverable amount of the asset is estimated.

The Corporation's recoverable amount measurements with respect to the carrying amount of non-financial assets are based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Corporation's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The estimated recoverable amounts may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Corporation's financial position and results of operations.

Management's assumptions and estimates of future cash flows used in the Corporation's impairment assessment of non-financial assets are subject to risk and uncertainties, particularly in market conditions where higher volatility exists, and may be partially or totally outside of the Corporation's control.

If an indication of impairment or reversal of a previous impairment charge exists, an estimate of the Cash Generation Unit's ("CGU") recoverable amount is calculated. The recoverable amount is based on the higher of fair value less costs of disposal ("FVLCD") and value-in-use ("VIU") using a discounted cash flow method taking into account assumptions that would be made by market participants, unless there is a market price available based on a recent purchase or sale of a similar group of assets. Cash flows cover periods up to the date that mining is expected to cease, which depends on a number of variables including recoverable mineral reserves and resources, expansion plans and the forecasted silver price.

Both internal and external sources of information are required to be considered when determining whether there is any indication of impairment or that a previous impairment has reversed. Judgment is required around adverse changes in the business climate which may be indicators for impairment such as a significant decline in the asset's market value, decline in resources and/or reserves as a result of geological re-assessment or change in timing of extraction of resources and/or reserves which would result in a change in the discounted cash flow obtained from the site, and lower metal or product prices or higher input cost prices than would have been expected since the most recent valuation of the site.

Judgment is required to determine whether there are indications that the carrying amount of the Zgounder project is unlikely to be recovered in full from successful development of the project or by sale. Judgment is also required when considering whether significant positive changes indicate that a previous impairment of assets may have reversed.

Management plans to execute further substantive exploration and evaluation activities on its Boumadine, Imiter bis, Zgounder Regional and Azegour properties.

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Impairment of non-financial assets (continued)

The Corporation also realized exploration work on the Boumadine, Imiter, Zgounder Regional and Azegour properties during 2022 and 2021 and intends to pursue it in 2023. No impairment indicators were identified with respect to these properties as at December 31, 2022 and 2021.

Significant Accounting Estimates

Basis of depletion of mining sites in production

Property, plant and equipment of mining sites in production are depleted according to the units-of-production method to write down the cost to residual value. Management estimates the residual value of the property, plant and equipment based on the estimated fair value as at the financial position date. For these assets, the depletion rate is calculated based on the number of ounces of silver sold in proportion to the number of ounces in measured and indicated resources.

The Corporation estimates its resources using information compiled by qualified persons who work as external consultants for the Corporation. This information relates to geological data on the size, depth and shape of the deposit and requires geological assessments to interpret the data.

The assessment of measured and indicted resources is based on factors such as the estimated exchange rate, price of metals, capital investments required and production costs stemming from geological assumptions based on the size and grade of the deposit. Changes in measured and indicated resources could have an impact on the net carrying amount of property, plant and equipment, asset retirement obligations, recognition of deferred tax assets and amortization, depreciation and depletion expenses.

Income taxes

The Corporation is subject to income taxes in different jurisdictions. Significant judgement is required in determining the total provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that is probable that taxable profits will be available which deductible temporary differences and the carry-forward of unused tax credits and unused losses can be utilized.

Provisions and contingent liabilities

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

3. SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS (continued)

Asset retirement obligations

The Corporation's activities are subject to various laws and regulations governing the protection of the environment. The Corporation recognizes management's best estimate for decommissioning and restoration obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates.

Additionally, future changes to environmental laws and regulations, timing of cash outflows and discount rates could affect the carrying amount of this provision.

4. INVENTORIES

	December 31, 2022	December 31, 2021
	$	$
Mining supplies	**4,450,520**	2,527,912
Silver bars	**275,809**	745,935
Silver in concentrate	**1,159,754**	946,150
Silver in circuit	**27,415**	22,835
Ore stockpile	**1,774,364**	133,440
	7,687,862	4,376,272

For the year ended December 31, 2022, the Corporation recognized $22,294,748 (2021 - $14,491,514) of inventory costs in the cost of sales.

5. PROPERTY, PLANT, AND EQUIPMENT

The majority of properties, plant and equipment are located in Morocco and are related to the Zgounder mine. As at December 31, 2022, the Corporation determined that there were no material events or changes in circumstances indicating that the carrying amount of property, plant and equipment related to the Zgounder mine may not be recoverable. As such, no impairment test was performed.

	Drilling and mining equipment	**Mining and processing equipment**	**Mining assets in production**	**Assets under construction**	**Right-of-use assets**	**Total**
	$	**$**	**$**		**$**	**$**
Cost						
Balance at January 1, 2021	339,591	9,280,020	14,229,153	1,338,285	552,611	25,739,660
Additions	514,190	4,846,625	-	2,373,861	481,132	8,215,808
Lease termination	-	-	-	-	(131,299)	(131,299)
Transfers from E&E assets (Note 6)	-	-	4,441,126	7,539,974	-	11,981,100
Asset retirement obligation	-	(90,461)	-	-	-	(90,461)
Foreign exchange	(20,400)	(420,164)	(449,629)	(94,399)	(26,860)	(1,011,452)
Balance at December 31, 2021	833,381	13,616,020	18,220,650	11,157,721	875,584	44,703,356

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

5. PROPERTY, PLANT, AND EQUIPMENT (continued)

	Drilling and mining equipment	Mining and processing equipment	Mining assets in production	Assets under construction	Right-of-use assets	Total
	$	$	$		$	$
Additions	2,363,552	1,691,695	7,077,480	23,096,598	123,590	34,352,915
Lease terminations	-	-	-	-	(5,872)	(5,872)
Transfers	98,158	125,821	421,939	(645,918)	-	-
Asset retirement obligation (Note 10)	-	(160,831)	-	-	-	(160,831)
Foreign exchange	(313,546)	(1,508,364)	(1,780,603)	(2,546,497)	(81,373)	(6,230,383)
Balance at December 31, 2022	2,981,545	13,764,341	23,939,466	31,061,904	911,929	72,659,185
Accumulated depreciation						
Balance at January 1, 2021	126,055	1,429,417	2,080,551	-	301,112	3,937,135
Depreciation	46,593	1,546,220	1,413,003	-	192,260	3,198,076
Foreign exchange	(44,121)	(92,595)	(82,681)	-	(74,454)	(293,851)
Balance at December 31, 2021	128,527	2,883,042	3,410,873	-	418,918	6,841,360
Depreciation	40,396	2,498,825	3,553,484	-	249,504	6,342,209
Foreign exchange	(23,904)	(376,161)	(426,634)	-	69,026	(757,673)
Balance at December 31, 2022	145,019	5,005,706	6,537,723	-	737,448	12,425,896
Carrying amounts						
At December 31, 2021	704,854	10,732,978	14,809,777	11,157,721	456,666	37,861,996
At December 31, 2022	2,836,526	8,758,635	17,401,743	31,061,904	174,481	60,233,289

Assets under construction are located in Morocco and represent expenditures for the construction and development of assets that will eventually be put into commercial production.

6. EXPLORATION AND EVALUATION ASSETS

During the years ended December 31, 2022 and 2021, changes in exploration and evaluation assets were as follows:

	December 31, 2022	December 31, 2021
	$	$
Rights on mining properties		
Balance, beginning of the period	**21,390,150**	3,482,891
Additions	**-**	18,276,266
Foreign exchange	**(1,470,424)**	(369,007)
Balance, end of the period	**19,919,726**	21,390,150

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

6. EXPLORATION AND EVALUATION ASSETS (continued)

	December 31, 2022	December 31, 2021
	$	**$**
Deferred exploration and evaluation expenses		
Balance, beginning of the period	**4,266,687**	5,106,507
Additions:		
Drilling, Sampling, Geology, and others	**9,800,692**	11,087,543
Foreign exchange	**(300,275)**	53,737
Transfers to property, plant and equipment	**-**	(11,981,100)
Balance, end of the period	**13,767,104**	4,266,687
Total	**33,686,830**	25,656,837

All exploration and evaluation assets are located in Morocco and relate to the Boumadine, Imiter, Azegour and Zgounder Regional projects except for the Tijirit project located in Mauritania.

During the year ended December 31, 2021, an amount of $11,981,100 related to drilling within the Zgounder permit was transferred to property, plant and equipment as management determined this was within the Zgounder project.

IFRS 6 requires management to assess impairment before exploration and evaluation assets are reclassified to either tangible or intangible assets. In making such an assessment of the potential impairment of the Corporation's exploration and evaluation assets, management has used the fair value less costs to sell model to estimate fair value based on a discounted cash flow technique generated from a detailed life of mine financial model from the Updated Feasibility Study. As part of the impairment testing undertaken as of December 31, 2021, management considered a "base case" calculation of the net present value ("NPV") using the different data parameters and results of the Updated Feasibility Study, including the discount rate of 8% scenario of the Updated Feasibility Study for the project. Following this analysis, management concluded that the exploration and evaluation assets of the Zgounder Project was not impaired as at December 31, 2021 and consequently reclassified $11.9 million to property, plant and equipment.

The following schedule represents the Corporation’s exploration and evaluation expenses:

						December 31, 2022
	Zgounder Regional	**Boumadine**	**Azegour**	**Imiter**	**Tijirit**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Opening Balance	-	5,433,910	26,631	718,237	19,478,059	25,656,837
Drilling, Sampling, Geology, and others	2,330,379	2,612,556	5,614	979,617	3,872,526	9,800,692
Foreign exchange	60,325	(439,045)	(114)	(174,385)	(1,217,480)	(1,770,699)
Closing Balance	**2,390,704**	**7,607,421**	**32,131**	**1,523,469**	**22,133,105**	**33,686,830**

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

6. EXPLORATION AND EVALUATION ASSETS (continued)

						December 31, 2021
	Zgounder	**Boumadine**	**Azegour**	**Imiter**	**Tijirit**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Opening Balance	3,305,567	5,258,217	25,614	-	-	8,589,398
Drilling, Sampling, Geology, and others	8,655,631	93,714	1,050	741,700	1,595,448	11,087,543
Additions to mining rights (Note 7)	-	-	-	-	18,276,266	18,276,266
Transfers to property, plant and equipment	(11,981,099)	-	-	-	-	(11,981,099)
Foreign exchange	19,901	81,979	(33)	(23,463)	(393,655)	(315,271)
Closing Balance	**-**	**5,433,910**	**26,631**	**718,237**	**19,478,059**	**25,656,837**

7. PURCHASE OF ASSETS OF ALGOLD RESOURCES LTD

The Corporation purchased Algold during the second quarter of 2021 as part of Algold's restructuring under the *Companies' Creditors Arrangement Act* ("CCAA"). On January 11, 2021, the Corporation became the sole secured creditor of Algold by acquiring a secured debt with a balance of $8 million for a consideration of 2,133,333 shares of the Corporation. On January 12, 2021, the Corporation issued 2,133,333 of its shares at CA$3.26 for a total consideration of $5,457,145 (CA$6,959,810).

On February 19, 2021, the Corporation entered into a binding agreement with Algold pursuant to which the Corporation would fund Algold's proposal to its creditors and at closing, would become the sole shareholder of Algold. Under the terms of the investment agreement, the Corporation provided Algold with $80,665 (CA$100,000) in cash and $3,952,585 (CA$4,900,000) in the form of the Corporation's shares to fund Algold's proposal to creditors under the CCAA. On March 5, 2021, the proposal made by Algold to its creditors was approved.

On June 10, 2021, the Corporation completed the acquisition of Algold and issued 687,403 of its shares at CA$8.13 for a total consideration of $4,619,149 (CA$5,591,817). The Corporation now controls 100% of Algold and 75% of the Tijirit gold project, with the remaining 15% owned by the government of Mauritania and 10% by Wafa Mining & Petroleum ("WAFA"). Net assets acquired were accounted for at their fair value except for non-controlling interest, which was accounted for at the proportionate share of the acquiree's identifiable net assets. The Corporation advanced $3,272,876 (CA$4,121,146) to Algold Resources Ltd. for the debtor-in-possession financing agreement.

Management concluded that Algold does not meet the definition of a business because the assets and activities acquired do not include a substantive process and there are no outputs, consequently the transaction was accounted for as an asset acquisition.

The Tijirit permit has been renewed, following the payment of past due applicable fees which have been paid to the Agence Nationale de Recherches Géologiques et du Patrimoine Minier ("ANARPAM"), and was initially valid from November 18, 2020 for a period of 24 months. The 24-month deadline has been reset following the restart of fieldwork at the site and begins on the date exploration activities have recommenced on October 12, 2022. The following milestones must be reached during that period:

(i) Feasibility study needs to be completed within a period of 14 months from the renewal date;

(ii) Begin the commissioning of a production facility at 24 months of the renewal date.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

7. PURCHASE OF ASSETS OF ALGOLD RESOURCES LTD (continued)

The net assets acquired were as follows:

	$
Recognized amount of identifiable net assets	
Mining rights	18,276,266
Total non-current assets	**18,276,266**
Cash and cash equivalents	371,246
Other current assets	46,449
Total current assets	**417,695**
Accounts payable and accrued liabilities	(489,068)
Non-controlling interest	(4,576,200)
Total liabilities and non-controlling interest	**(5,065,268)**
Identifiable net assets	13,628,693
Transactions costs incurred	(198,858)
Total value of consideration paid	**13,429,835**
Consideration transferred settled in equity	10,076,294
Consideration transferred settled in cash	3,353,541
Total value of consideration paid	**13,429,835**

8. BALANCE OF PURCHASE PRICE PAYABLE

	December 31, 2022	December 31, 2021
	$	$
Balance, beginning of the period	**1,393,461**	1,238,141
Accretion expense	**203,970**	198,404
Foreign exchange	**(161,708)**	(43,084)
Balance, end of the period	**1,435,723**	1,393,461
Current portion	**1,435,723**	-
Non-current portion	**-**	1,393,461

The Boumadine permit is expected to be transferred to Boumadine Global Mining S.A. “BGM”, 85%-owned by the Corporation and 15% by ONHYM, during the year ending December 31, 2023. A non-interest-bearing payable to OHNYM in an amount of 15,000,000 MAD ($1,435,723) can be used as a capital contribution to BGM or be repaid if the property reaches production and generates sufficient cashflow.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

8. BALANCE OF PURCHASE PRICE PAYABLE (continued)

The Corporation has also agreed to undertake a work program beginning three months after the transfer of the property. For the development of the Boumadine property, the Corporation agreed to realize the following actions correspondingly:

(i) Certification of reserves (18 months);
(ii) Testing recovery (6 months);
(iii) Mining development (48 months); and
(iv) Research and exploration (60 months).

A period of 60 months is needed to carry out the proposed work mentioned above. A new corporation will be created that will be responsible for realizing all work and installations needed to exploit the deposit. As the transfer of the Boumadine property has yet to occur, the timeline has yet to commence.

ONHYM is entitled to receive a 3% royalty on sales from the Boumadine project. In the event that delays in production are greater than 60 months from the date of transfer of the property, the Corporation undertakes to pay the seller a delay royalty of 100,000 dirhams ($9,571) paid annually until production begins. The timeline of 60 months has not yet begun.

9. LEASE LIABILITIES

The Corporation leases office space, mining vehicles and dwellings for employees. Theses leases are for a period of one to four years. Certain leases include an option to renew after the end of the contract term and/or provide for payments that are indexed to local inflation rates.

The movement in lease liabilities during the years ended December 31, 2022 and 2021 is comprised of the following:

	December 31, 2022	December 31, 2021
	$	$
Balance, beginning of the year	**425,879**	316,326
Additions	**123,590**	481,132
Terminations	**(5,872)**	(142,917)
Accretion	**13,990**	16,039
Repayments	**(244,966)**	(235,106)
Foreign exchange	**(25,621)**	(9,595)
Balance, end of the year	**287,000**	425,879
Current portion	**160,306**	244,634
Long-term portion	**126,694**	181,245

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

9. LEASE LIABILITIES (continued)

The undiscounted minimum lease payments on lease liabilities for the forthcoming years are as follows:

	$
2023	170,725
2024	61,998
2025	44,550
2026	29,644
Total minimum payments	**306,917**
Less interest	(19,917)
Total minimum capital payments	287,000

The Corporation's weighted average incremental borrowing rate is 5.31%.

10. ASSET RETIREMENT OBLIGATIONS

The asset retirement obligations represent legal and contractual obligations associated with the eventual dismantling of the Corporation's assets. The laws and regulations are continually changing and are generally becoming more restrictive. The Corporation conducts its operations to protect public health and the environment. As at December 31, 2022, the estimated inflation-adjusted discounted cash flows required to settle the asset obligations amounts to $1,021,373 ($1,149,441 in 2021). The discount rate used is 3.30% (1.42% in 2021) and the disbursements are expected to be made in 2032. The estimated undiscounted value of this liability was estimated using an expected value approach, which combines probability weighted outcomes for a variety of different scenarios and takes into consideration a normal inflation rate over time until 2032, for costs varying from $1,125,000 to $1,350,000.

	December 31, 2022	December 31, 2021
	$	$
Balance, beginning of the period	**1,149,441**	1,222,335
Foreign exchange	**840**	(710)
Change in assumptions used	**(160,833)**	(90,461)
Accretion expense	**31,925**	18,277
Balance, end of the period	**1,021,373**	1,149,441

11. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Common Shares

As at December 31, 2022, the Corporation had 105,020,190 issued and outstanding common shares (December 31, 2021 - 104,879,153).

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

11. SHARE CAPITAL (continued)

Transactions during the year ended December 31, 2022:

- A total of 18,750 share purchase warrants were exercised for a strike price of C$3.30 for total proceeds of C$61,875 ($48,970) and an ascribed value reclassification of C$15,099 ($11,950) from contributed surplus to share capital.
- A total of 66,600 share purchase options were exercised for a strike price of C$7.69 for total proceeds of C$512,154 ($399,432) and an ascribed value reclassification of C$423,976 ($330,661) from contributed surplus to share capital.
- A total of 20,000 share purchase options were exercised for a strike price of C$1.43 for total proceeds of C$28,600 ($20,701) and an ascribed value reclassification of C$53,059 ($38,404) from contributed surplus to share capital.
- A total of 23,333 share purchase options were exercised for a strike price of C$4.75 for total proceeds of C$110,832 ($82,392) and an ascribed value reclassification of C$61,900 ($46,017) from contributed surplus to share capital.
- A total of 12,354 deferred share units were issued at an average price of C$8.06 for an ascribed value reclassification of $77,351 from contributed surplus to share capital.

During the period in which the warrants and options were exercised, the Corporation's minimum market share price was C$5.28 ($4.10) while the maximum was C$10.56 ($8.24).

12. SHARE PURCHASE WARRANTS

The outstanding share purchase warrants as at December 31, 2022 and 2021 and the respective changes during the years are summarized as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number	C$ [1]	Number	C$ [1]
Balance, beginning of the period	4,628,198	3.30	6,848,235	3.21
Exercised	(18,750)	3.30	(2,220,037)	3.03
Balance exercisable, end of the period	4,609,448	3.30	4,628,198	3.30

The number of outstanding share purchase warrants that could be exercised for an equal number of common shares is as follows:

		Year ended December 31, 2022
Expiry Date	**Number**	**Exercise Price C$[1]**
September 3, 2023	4,609,448	3.30
Balance exercisable, end of the period	4,609,448	3.30

13. SHARE-BASED PAYMENTS

Share purchase options

The Corporation's incentive share purchase option plan (the "Plan") which provides that the Board of Directors of the Corporation may, from time to time, in its discretion, and in accordance with the TSX policies, grant to directors, officers, employees and consultants to the Corporation, non-transferable share purchase options to purchase common shares of the Corporation, provided that the number of common shares issuable under the Plan, combined with the number of common shares issuable under all share compensation arrangements, shall not exceed 10% of the outstanding common shares as at the date of any grant of options. The vesting period for the share purchase options is determined at the discretion of the Corporation's Board of Directors at the time the share purchase options are granted.

The outstanding share purchase options and their exercise price in Canadian dollar as at December 31, 2022 and 2021 are summarized as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number	C$ (1)	Number	C$ (1)
Balance, beginning of the period	6,151,334	2.29	6,195,000	1.69
Granted	-	-	783,000	6.25
Exercised	(109,933)	5.93	(826,666)	1.52
Balance, end of the period	6,041,401	2.23	6,151,334	2.29
Exercisable	5,780,396	2.04	4,079,324	2.11

(1) Weighted average exercise price in Canadian dollars.

The following table reflects the share purchase options that could be exercisable for an equal number of common shares:

			December 31, 2022
	Number outstanding	**Number exercisable**	**Exercise price C$**
January 24, 2023	50,000	50,000	2.00
May 4, 2023	800,000	800,000	3.30
July 1, 2030	4,498,334	4,498,334	1.43
March 3, 2031	359,667	231,996	4.75
May 12, 2031	333,400	200,066	7.69
	6,041,401	5,780,396	

			December 31, 2021
	Number outstanding	**Number exercisable**	**Exercise price C$**
January 24, 2023	50,000	50,000	2.00
May 4, 2023	800,000	800,000	3.30
July 1, 2030	4,518,334	2,968,331	1.43
March 3, 2031	383,000	127,661	4.75
May 12, 2031	400,000	133,332	7.69
	6,151,334	4,079,324	

13. SHARE-BASED PAYMENTS (continued)

The fair value of share purchase options granted was determined using Black & Scholes valuation model based on the following weighted average assumptions:

	Year ended December 31, 2022	**Year ended December 31, 2021**
Weighted average fair value of awards	-	CA$3.92 - CA$6.37
Unvested forfeiture rate	-	0%
Grant option price	-	CA$4.75 - CA$7.69
Market share price	-	CA$4.75 - CA$7.69
Volatility	-	83.31% - 83.54%
Risk-free rate	-	1.40% - 1.58%
Dividend yield	-	0%
Expected life	-	10

A share-based payment expense of $1,181,940 was recognized during the year ended December 31, 2022 (2021 - $3,692,796). The expected underlying volatility was based on the historical data of the Corporation's shares over a period equivalent to the expected average life of the options.

Restricted share units

The RSU Plan provides for a maximum number of common shares available and reserved for issuance to 10% of the Corporation's issued and outstanding common shares, less any shares reserved for issuance under the Plan and the DSU Plan. The RSUs are time-based awards and all the amount of RSUs granted will vest upon the continuous employment of the Participants on the third anniversaries of the RSU grant, starting from the date of the grant or such other period not exceeding three years determined by the Board of Directors.

Pursuant to the terms of the RSU Plan, Participants will receive, upon vesting of the RSUs, common shares of the Corporation issued from treasury. The outstanding RSUs as at December 31, 2022 and 2021 are as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number	C$[2]	Number	C$[2]
Balance, beginning of the period	131,819	8.22	-	-
Granted	475,230	8.87	133,503	8.22
Canceled	(16,032)	8.63	(1,684)	8.22
Balance, end of the period	591,017	8.73	131,819	8.22
Vested	-	-	-	-

[2] Weighted average fair value in Canadian dollars at grant date.

A share-based compensation payment of $1,055,418 was recognized during the year ended December 31, 2022 (2021 – $231,858).

Deferred share units

The DSU Plan provides for a maximum number of common shares available and reserved for issuance to 10% of the Corporation's issued and outstanding common shares, less any shares reserved for issuance under the Plan and the RSU Plan. The DSUs are time-based awards and all the amount of DSUs granted will be settled on termination of

13. SHARE-BASED PAYMENTS (continued)

service.

Pursuant to the terms of the DSU Plan, Directors will receive, after the termination date, common shares of the Corporation issued from treasury. The outstanding DSU's as at December 31, 2022 and 2021 are as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number	C$(3)	Number	C$(3)
Balance, beginning of the period	60,273	7.94	-	-
Granted	161,846	8.16	60,273	7.94
Settled	(12,354)	8.06		
Balance, end of the period	209,765	8.10	60,273	7.94

(3) Weighted average fair value in Canadian dollars at grant date.

A share-based compensation payment of $1,014,530 was recognized during the year ended December 31, 2022 (2021 – $387,187).

14. SEGMENTED INFORMATION

All of the Corporation's operations are within the mining industry and its major products are precious metals ingots and concentrate which are refined or smelted into pure silver and sold to global metal brokers. A reporting segment is defined as a component of the Corporation that:

- engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's executive management; and
- for which discrete financial information is available.

For the year ended December 31, 2022, the Corporation's reporting segments include the production segment, with its Zgounder silver project in Morocco, as a significant reporting segment. All other properties are segmented in the "non-producing properties" category (i.e. referred to as Exploration, evaluation and development segment) for the years ended December 31, 2022 and 2021. The "Others" segment consists primarily of the Corporation's corporate assets including cash and cash equivalents, intercompany eliminations, and corporate expenses which are not allocated to operating segments.

Management evaluates segment performance based on mine operating earnings. Therefore, other income and expense items are not allocated to the segments. Significant information relating to the Corporation's reportable operating segments is summarized in the tables below.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

14. SEGMENTED INFORMATION (continued)

			December 31, 2022
	Total non-current assets	**Total assets**	**Total liabilities**
	$	$	$
Production (Zgounder Silver Mine - Morocco)	60,937,055	87,382,642	17,332,126
Exploration, evaluation, and development (Morocco)	11,553,725	13,457,199	1,728,091
Exploration, evaluation, and development (Mauritania)	22,133,105	22,360,191	894,122
Corporate	2,365,280	33,604,341	6,540,975
Total per consolidated statement of financial position	**96,989,165**	**156,804,373**	**26,495,314**

			December 31,2021
	Total non-current assets	**Total assets**	**Total liabilities**
	$	$	$
Production (Zgounder Silver Mine - Morocco)	35,155,831	50,069,671	13,205,896
Exploration, evaluation, and development (Morocco)	6,178,777	6,178,777	701,852
Exploration, evaluation, and development (Mauritania)	19,478,059	19,478,059	228,316
Corporate (Canada)	6,581,038	85,531,371	7,120,125
Total per consolidated statement of financial position	**67,393,705**	**161,257,878**	**21,256,189**

Year ended December 31, 2022 and 2021		**Revenue**	**Cost of sales**	**G&A expenses**	**Operating income (loss)**
Production (Zgounder Silver Mine**)**	**2022**	**38,244,921**	**27,960,944**	**111,585**	**10,172,392**
	2021	34,301,914	18,292,185	61,162	15,948,567
Exploration	**2022**	**-**	**-**	**-**	**-**
	2021	-	-	**-**	-
Corporate	**2022**	**-**	**-**	**8,332,593**	**(8,332,593)**
	2021	-	-	10,069,567	(10,069,567)
Consolidated	**2022**	**38,244,921**	**28,287,182**	**8,444,178**	**1,839,799**
	2021	34,301,914	18,292,185	10,130,729	5,879,000

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

15. ADDITIONAL INFORMATION ON THE NATURE OF REVENUE FROM SILVER SALES

The following is a breakdown of the nature of revenue included in silver sales for the years ended December 31, 2022, and 2021:

Revenue from sales		**Year ended December 31,**
	2022	2021
	$	$
Ingots	**19,938,781**	15,982,194
Silver concentrate	**20,925,647**	20,779,038
Less: treatment, smelting, and refining costs	**(2,619,507)**	(2,459,318)
	38,244,921	34,301,914

The Corporation's sales are with two clients (2021 – two clients) located in Switzerland.

16. ADDITIONAL INFORMATION ON THE NATURE OF COST OF SALES

The following is a breakdown of the nature of cost of sales for the years ended December 31, 2022 and 2021:

		Year ended December 31,
Cost of sales	**2022**	2021
	$	$
Consumables, supplies, services, and other expenses	**20,213,475**	14,041,520
Freight outbound	**499,004**	519,546
Royalties	**1,113,969**	1,072,353
Depreciation (Note 5)	**6,134,496**	2,658,766
	27,960,944	18,292,185

17. INCOME TAXES

The reconciliation of the effective tax rate is as follows:

		Year ended December 31,
	2022	2021
	$	$
Income before income tax	**4,228,003**	5,117,384
Statutory income tax rate	**26.5%**	26.5%
Expected income tax expense	**1,120,422**	1,356,108
Share-based payments	**859,285**	974,697
Effect of tax rate in foreign jurisdictions	**(128,266)**	(366,939)
Tax effect of permanent differences	**184,537**	280,877
Permanent difference due to purchase price allocation	**-**	(762,454)

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

17. INCOME TAXES (continued)

Unrecognized benefit of losses and temporary difference	**463,772**	2,456,412
Prior year adjustment	**195,251**	(11,697)
Withholdings and minimum tax	**353,769**	332
Other	**133,922**	(82,095)
	3,182,692	3,845,241
Current income taxes	**2,690,867**	3,837,682
Deferred income taxes	**138,351**	7,559
Foreign withholding taxes	**353,474**	-
	3,182,692	3,845,241

Unrecognized deductible temporary differences for which no deferred tax assets have been recognized are as follows:

		Year ended December 31,
	2022	2021
	$	$
Non-capital loss carry-forward	**14,836,828**	21,469,611
Property, plant and equipment	**32,813**	6,650
Exploration and evaluation assets	**3,651,943**	4,289,370
Share issue costs	**2,866,816**	4,232,386
Other assets and liabilities	**7,209,413**	295,654
Capital loss	**569,837**	605,649
	29,167,650	30,899,320

Recognized deferred tax assets and liabilities are as follows:

	December 31, 2021	**Recognized in profit or loss**	**Recognized in AOCI**	**December 31, 2022**
	$	**$**	**$**	**$**
Non-capital loss carry-forward	2,112,269	(11,510,499)	13,564,172	4,165,942
Property, plant and equipment	(1,480,882)	1,279,234	(1,507,472)	(1,709,120)
Balance of purchase price payable	(5,269)	(187,513)	220,969	28,187
Other	(206,644)	(594,723)	700,832	(100,535)
Exploration and evaluation assets	(1,500,732)	11,153,049	(13,142,947)	(3,490,630)
	(1,081,258)	**139,548**	**(164,446)**	**(1,106,156)**

	December 31, 2020	**Recognized in profit or loss**	**Recognized in AOCI**	**December 31, 2021**
	$	**$**	**$**	**$**
Non-capital loss carry-forward	1,852,247	(28,672)	288,694	2,112,269
Property, plant and equipment	(1,847,696)	(40,448)	407,262	(1,480,882)
Balance of purchase price payable	(46,008)	(4,492)	45,231	(5,269)
Other	59,777	29,378	(295,799)	(206,644)
Exploration and evaluation assets	(1,168,130)	36,675	(369,277)	(1,500,732)
	(1,149,810)	**(7,559)**	**76,111**	**(1,081,258)**

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

17. INCOME TAXES (continued)

Composition of deferred income taxes in the consolidated statement of comprehensive income (loss):

		Year ended December 31,
	2022	2021
	$	$
Write-down of deferred tax asset	**1,106,156**	1,081,258
	1,106,156	1,081,258

Non-capital losses available in Canada expire as follows:

CANADA	$
2030	930,375
2031	1,410,686
2032	1,101,405
2033	769,515
2034	1,945,683
2035	1,904,127
2036	1,559,592
2037	2,547,843
2038	2,755,630
2039	1,948,546
2040	1,803,268
2041	7,817,936
2042	3,868,695
	30,363,301

As at December 31, 2022 and 2021, the Corporation had no unused tax losses in Morocco.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

18. ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE (LOSS) INCOME COMPONENTS

The following is a breakdown of the nature of expenses included in general and administrative expenses and finance expense for the years ended December 31, 2022 and 2021:

	Year ended December 31,	
General and administrative expenses	**2022**	2021
	$	$
Salaries and benefits	**1,147,018**	1,747,006
Consulting fees	**1,364,534**	1,485,127
Investor relations	**662,078**	450,140
Depreciation – G&A	**111,585**	539,310
Office	**519,608**	494,433
Professional fees	**1,265,064**	927,935
Reporting issuer costs	**122,403**	174,937
	5,192,290	5,818,888

	Year ended December 31,	
Finance (income) expense	**2022**	2021
	$	$
Change in fair value of options contracts	**(617,945)**	(373,020)
Interest income	**(827,638)**	(161,794)
(Gain) loss on foreign exchange	**(1,565,544)**	614,131
Accretion expense	**249,885**	229,445
	(2,761,242)	308,762

	Year ended December 31,	
Expenses recognized for employee benefits	**2022**	2021
	$	$
Salaries and bonuses	**8,902,238**	6,150,035
Fringe benefits costs	**1,382,313**	1,062,059
Post-employment benefits and short-term employee benefits	**249,157**	147,113
Post-employment benefits from government plans	**198,978**	132,493
Share-based payments (Note 9)	**3,251,888**	4,311,841
	13,984,574	11,803,541

19. CAPITAL MANAGEMENT

The Corporation defines capital as equity. When managing capital, the Corporation's objectives are to:

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

The Corporation will achieve these objectives by effectively operating its assets efficiently, identifying the right exploration and evaluation projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. Management adjusts the capital structure as necessary to support the operation, acquisition, exploration and evaluation and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. As at December 31, 2022, managed capital is $124,721,729 ($132,954,929 as at December 31, 2021) representing total equity before non-controlling interest. Management reviews its capital management approach on an ongoing basis and believes that this approach is appropriate given the relative size of the Corporation. There were no changes in the Corporation's approach to capital management during the year ended December 31, 2022.

20. FINANCIAL RISK MANAGEMENT

The Corporation is exposed to various financial risks resulting from both its operations and its investment activities. There were no changes to the financial objectives, policies and processes during the years ended December 31, 2022 and 2021. The Corporation's main financial risks exposure and its financial risks management policies are as follows:

Credit risk

Credit risk refers to the risk of an unexpected loss if a party to its financial instrument fails to meet its contractual obligations. The Corporation's financial assets exposed to credit risk are primarily composed of cash and cash equivalents, accounts receivable, options contracts, and long-term restricted cash. The Corporation's cash is mostly held with reputable Canadian or Moroccan banks.

Credit risk arises from the possibility that the clients which the Corporation sells its product to may experience financial difficulties and be unable to fulfil their obligations. The Corporation requires that it is paid the majority of what it is owed on transfer of property and deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Corporation monitors the credit risk of customers through credit rating reviews and constant communication with customers. The Corporation establishes an allowance for doubtful accounts taking into account the credit risk of specific customers, historical trends and other information. For the years ended December 31, 2022 and 2021, the Corporation sells its ingots and silver concentrated ore to a limited number of large customers and has never experienced a credit loss. Consequently, credit risk is considered to be limited. In management's opinion, the maximum credit risk exposure for all of the Corporation's current financial assets is the carrying value of those assets.

Commodity price risk

The Corporation's profitability is exposed to commercial risks notably those linked to the price of silver. The Corporation does not have financial instruments to hedge exposures to silver price fluctuations.

Liquidity risk

Liquidity risk refers to the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's liquidity and operating results may be adversely affected if the Corporation's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or related to matters specific to the Corporation. Over the years, the Corporation generates cash flow from its financing activities and from the sales realized at the Zgounder mine.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

20. FINANCIAL RISK MANAGEMENT (continued)

The following are the contractual maturities of financial liabilities and other liabilities, including interest where applicable as at December 31, 2022:

	Carrying Amount	Contractual cash flows	0-12 months	12-24 months	More than 24 months
	$	$	$	$	$
Accounts payable & accrued liabilities	22,170,150	22,170,150	22,170,150	-	-
Balance of purchase price payable (Note 8)	1,435,723	1,435,723	1,435,723	-	-
Lease liabilities (Note 9)	287,000	306,917	170,725	61,998	74,194
	23,892,873	**23,912,790**	**23,776,598**	**61,998**	**74,194**

The following are the contractual maturities of financial liabilities as at December 31, 2021:

	Carrying Amount	Contractual cash flows	0-12 months	12-24 months	More than 24 months
	$	$	$	$	$
Accounts payable & accrued liabilities	13,957,575	13,957,575	13,957,575	-	-
Balance of purchase price payable (Note 8)	1,393,461	1,616,310	-	1,616,310	-
Lease liabilities (Note 9)	425,879	444,971	257,815	174,746	39,408
	15,776,915	**16,018,856**	**14,215,390**	**1,791,056**	**39,408**

Currency risk

In the normal course of operations, the Corporation is exposed to currency risk due to business transactions in foreign countries denominated in a currency other than the functional currency of each entity in the group, being the Canadian dollar for all the entities within the consolidated group except for AGSM, ZMSM, BGM and AGS, for which the functional currency is the Moroccan dirham, and for TIREX and ALGOLD S.A.R.L., for which the functional currency is the Mauritanian Ouguiya. Transactions related to the Corporation's exploration and evaluation activities are mainly denominated in Moroccan dirhams and Mauritanian ouguiyas.

Foreign currency denominated financial assets and liabilities which expose the Corporation to currency risk are presented below.

The Corporation enters into put option contracts to mitigate the risk of fluctuations in the exchange rate of its holdings of US dollars. Changes in the fair value of the contracts and the corresponding gains or losses are recorded quarterly and are included in the fair value adjustment on option contracts on the consolidated statement of comprehensive income (loss). The Corporation's management strategy is to reduce the risk of fluctuations associated with foreign exchange rate changes. The foreign currency option contracts are held to maturity and are either exercised for a net profit or loss; or expire at no obligation to the Corporation.

The fair value of option contracts, which represents the amount that would be received/(paid) by the Corporation if the contracts were terminated at December 31, 2022 was $461,983 ($200,793 as at December 31, 2021). As a December 31, 2022 the Corporation had cash collateral balances related to option contracts being held of $2,489,287 ($2,519,385 as at December 31, 2021). They are reflected as part of restricted cash in escrow in the consolidated statement of financial position.

20. FINANCIAL RISK MANAGEMENT (continued)

Balances are dominated in US dollars, the presentation currency of the Corporation:

December 31, 2022	USD	EUR	MAD	Total
	$	$	$	$
Cash and cash equivalents	28,101,982	1,040,284	-	29,142,266
Accounts receivable	2,313,168	-	-	2,313,168
Accounts payable and accrued liabilities	(700,870)	(75,228)	(192,490)	(968,588)
Balance of purchase price payable (Note 8)	-	-	(1,435,723)	(1,435,723)
	29,714,280	**965,056**	**(1,628,213)**	**29,051,123**

December 31, 2021	USD	MAD	Total
	$	$	$
Cash and cash equivalents	30,280,474	-	30,280,474
Accounts receivable	3,379,250	-	3,379,250
Accounts payable and accrued liabilities	(619,603)	(198,387)	(817,990)
Balance of purchase price payable (Note 8)	-	(1,393,461)	(1,393,461)
	33,040,121	**(1,591,848)**	**31,448,273**

The impact on net earnings and equity of a 10% increase or decrease in foreign currencies on the Corporation's financial instruments based on balances on December 31, 2022 would be approximately $2,910,000 ($3,145,000 as December 31, 2021).

21. FINANCIAL INSTRUMENTS

The classification of financial instruments is summarized as follows, as at December 31, 2022 and 2021:

Financial Assets	Classification	December 31, 2022	December 31, 2021
	$	$	$
Cash and cash equivalents	Financial assets at amortized cost	**39,360,138**	81,665,834
Accounts receivable	Financial assets at amortized cost	**2,344,064**	2,167,539
Restricted cash (Note 20)	Financial assets at amortized cost	**2,489,287**	2,519,385
		44,193,489	86,352,758

Financial Liabilities	Classification	December 31, 2022	December 31, 2021
	$	$	$
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	**22,170,150**	13,957,575
Balance of purchase price payable (Note 8)	Financial liabilities at amortized cost	**1,435,723**	1,393,461
		23,605,873	15,351,036

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

21. FINANCIAL INSTRUMENTS (continued)

Financial Assets	Classification	**December 31, 2022**	December 31, 2021
	$	**$**	$
Option contracts	Fair value through profit & loss	**580,954**	200,793
		580,954	200,793

Fair value of financial instruments

Current financial instruments that are not measured at fair value are represented by cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and balance of purchase price payable. Their carrying values are considered a reasonable approximation of their fair value because of their short-term maturity and/or of the contractual terms of these instruments. Fair value of restricted cash is very similar to the amortized cost due to the nature of the underlying asset.

For the year ended December 31, 2021, the fair value of the balance of purchase price for the acquisition of the Boumadine property was a reasonable approximation of its fair value as it was discounted using the effective interest rate, which approximates the current rate that could have been obtained with similar terms and credit risk.

Foreign currency options contracts

Foreign currency options contracts are recognized on the Corporation’s consolidated statement of financial position when the Corporation becomes party to the contractual provisions of the instrument. The instrument is derecognized from the consolidated statement of financial position when the contractual rights or obligations arising from that instrument expire or are extinguished. Forward currency contracts are recognized at fair value through profit and loss. The variation of fair value is in the consolidated statement of comprehensive income (loss). The premium at inception is accounted for against the fair value of the instrument at each reporting date.

Fair value hierarchy

The following table classifies financial assets and liabilities that are recognized on the consolidated statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data.

As at December 31, 2022, the following represents the classification of fair value instruments:

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Option contracts	**-**	**580,954**	**-**	**580,954**

As at December 31, 2021, the following represents the classification of fair value instruments:

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Option contracts	**-**	**200,793**	**-**	**200,793**

The Corporation’s foreign currency option contracts are not traded in active markets. The fair value of these instruments

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

21. FINANCIAL INSTRUMENTS (continued)

has been determined using observable forward exchange rates. The effects of non-observable inputs are not significant for foreign contract positions. As at December 31, 2022, the Corporation had options with the following notional amounts: $2 million EUR-CAD at an average exchange rate of 1.29275, $22 million USD-CAD at an average exchange rate of 1.35744, and $1 million EUR-USD at an average rate of 0.99. As at December 31, 2021, the Corporation had options with the notional mounts of $35.4 million USD-CAD at an average exchange rate of 1.22931.

22. SUPPLEMENTAL CASH FLOW INFORMATION

		Year ended December 31,
	2022	2021
	$	$
Accounts receivable	**(176,524)**	**2,332,106**
Sales tax receivable	**(3,648,417)**	**(2,941,539)**
Inventories	**(3,311,590)**	**(2,690,292)**
Prepaid expenses and security deposits	**(740,040)**	**(396,075)**
Accounts payable and accruals	**8,227,452**	**8,534,773**
Income tax payable	**(2,773,663)**	**2,674,859**
	(2,422,782)	**7,513,832**
Non-cash transactions		
Variation of deposits to suppliers for capital expenditures	**715,044**	-
Additions of new ROU assets	**123,590**	481,132

23. EARNINGS PER COMMON SHARE

Basic earnings or loss per share is the net earnings or loss available to common shareholders divided by the weighted average number of common shares outstanding during the period. Diluted net earnings or loss per share adjusts basic net earnings per share for the effects of potential dilutive common shares such as options, RSUs, DSUs and warrants.

The calculations for basic and diluted earnings per share for the years ended December 31, 2022 and 2021 are as follows:

		Year ended December 31,
	2022	2021
	$	$
Net earnings	**1,397,588**	1,272,142
Weighted average number of shares – basic	**105,276,451**	98,347,565
Impact of dilutive securities		
Warrants	**2,799,601**	1,971,867
Stock options, RSUs and DSUs	**4,965,873**	2,665,675

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

23. EARNINGS PER COMMON SHARE (continued)

Weighted average number of shares – diluted	**113,041,925**	102,985,107
Earnings per share – basic	**0.013**	0.013
Earnings per share – diluted	**0.012**	0.012

24. COMMITMENTS AND GUARANTEES

The Corporation has the following commitments regarding its properties:

Royalties

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

- 2.5% Net Smelter Royalty ("NSR") to Société d'Exploration Géologique des Métaux on the Amizmiz property and an 8km radius area of interest;
- 2.5% royalty to Ouiselat Mines (a private Moroccan company) on revenue from the Azegour property;
- 3.0% royalty to ONHYM on revenue from the Zgounder property or 11,295,430 dirhams ($1,113,969) for the year ended December 31, 2022 and 9,636,828 dirhams ($1,072,353) for the year ended December 31, 2021; and
- 3.0% royalty to ONHYM on revenue from the Boumadine property.

Tijirit commitments

The Tijirit project has the following commitments associated with the project:

- CA$1,500,000 to Endeavour Mining, payable upon achieving a NI-43-101 compliant mineral reserve of 1,000,000 ounces of gold;
- $2,000,000 to ANARPAM at the commencement of production.

In addition, the Corporation is also committed to pay the following royalties and annual payments for the Tijirit project:

- Royalty between 4.0% and 6.5% to the government of Mauritania depending on the price of gold. For production above 50,000 ounces, an additional 0.25% royalty, on top of the above-mentioned royalties, for every additional 100,000 ounces;
- NSR of 1.5% to Osisko Gold Royalties which is 50% purchasable by the Corporation; and
- $100,000 to ANARPAM on production of up to 30,000 ounces of gold and an additional $1 per ounce produced on production between 30,001 and 300,000 ounces of gold.

Net profit interest

In 2013, the Corporation entered into a net-profit interest agreement with Global Works, Assistance and Trading S.A.R.L. ("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 agreement is subject to a dispute following the departure of the former CEO.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

25. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2022 and 2021, the following related party transactions occurred in the normal course of operations:

- Management and consulting fees to Groupe Conseils Grou, La Salle Inc., a company owned by the President and Chief Executive Officer of $767,925 for the year ended December 31, 2022 ($743,087 for the year ended December 31, 2021) and general and administrative fees of $nil for the year ended December 31, 2022 ($35,519 for the year ended December 31, 2021). As at December 31, 2022, $406,162 (December 31, 2021 - $445,141) was due to that company;
- Management and consulting fees to SRG Guinee S.A.R.L., a wholly owned subsidiary of SRG Mining Inc, a public company of which the Corporation's Chief Executive Officer is also the Director and Executive Chairman of the Board, of $57,005 for the year ended December 31, 2022 ($65,909 for year ended December 31, 2021) and exploration and evaluation fees amounting to $54,620 for the year ended December 31, 2022 ($47,273 for the year ended December 31, 2021). As at December 31, 2022, $nil (December 31, 2021 - $nil) was due to that company;
- General and administrative fees to SRG Mining Inc., a public company where the Corporation's Chief Executive Officer is also the Director and Executive Chairman of the Board, of $nil (December 31, 2021 - $9,564). As at December 31, 2022, $nil (December 31, 2021 - $nil) was due to that company;

Remuneration of key management personnel of the Corporation

Key management included members of the Board of Directors and executive officers of the Corporation. During the years ended December 31, 2022 and 2021, the remuneration awarded to key management personnel (including the amounts above) was as follows:

	Year ended December 31,	
	2022	2021
	$	$
Salaries and benefits	**1,188,326**	1,280,684
Management consulting and professional fees	**1,057,039**	796,139
Director fees	**22,924**	289,919
Share-based compensation	**2,104,917**	2,079,795
	4,373,206	4,446,537

26. NON-CONTROLLING INTEREST

The Corporation's consolidated financial statements include two subsidiaries, BGM, and TIREX, with material non-controlling interests ("NCIs").

ONHYM has a 15% non-dilutive participation in BGM. ANARPAM has a 15% non-dilutive participation in TIREX and WAFA has a 10% dilutive participation in TIREX. The Corporation had the following NCIs for the years ended December 31, 2022 and 2021:

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

26. NON-CONTROLLING INTEREST (continued)

	Proportion of ownership interest and voting rights held by NCI		Total comprehensive income allocated to NCI		Accumulated NCI	
	2022	2021	**2022**	2021	**2022**	2021
	%	%	**$**	$	**$**	$
BGM	**15.00**	**15.00**	**855**	(4,717)	**11,130**	10,274
ZMSM	**-**	**15.00**	**931,118**	1,583,501	**-**	2,460,286
TIREX	**25.00**	**25.00**	**-**	-	**4,576,200**	4,576,200
			931,973	1,578,784	**4,587,330**	7,046,760

On November 28, 2022, AYA purchased for $5,174,277 (55,000,000 dirhams) the 15% NCI owned by OHNYM in ZMSM. Following the acquisition, the Corporation reversed the equity portion of NCI of $3,391,403 and the difference of $1,782,874 has been recorded against the deficit.

December 31, 2022 and 2021 (In United States dollars unless otherwise noted)

26. NON-CONTROLLING INTEREST (continued)

	BGM		ZMSM		TIREX		Total NCI	
	2022	2021	**2022**	2021	**2022**	2021	**2022**	2021
	$	$	**$**	$	**$**	$	**$**	$
Non-current assets	**4,590,415**	879,715	-	27,585,764	**18,376,172**	18,376,172	**22,966,587**	46,841,651
Current assets	**666,183**	248,224	-	21,077,286	**417,695**	417,695	**1,083,878**	21,743,205
Total assets	**5,256,598**	1,127,939	-	48,663,050	**18,793,867**	18,793,867	**24,050,465**	68,584,856
Non-current liabilities	**-**	-	-	15,759,930	**-**	-	**-**	15,759,930
Current liabilities	**5,182,402**	1,059,443	-	16,501,216	**489,068**	489,068	**5,671,470**	18,049,727
Total liabilities	**5,182,402**	1,059,443	-	32,261,146	**489,068**	489,068	**5,671,470**	33,809,657
Net assets	**74,196**	68,496	-	16,401,904	**18,304,799**	18,304,799	**18,378,995**	34,775,199
Net assets attribuable to NCI	**11,130**	10,274	-	2,460,286	**4,576,200**	4,576,200	**4,587,330**	7,046,760
Revenues for the year	**-**	-	**38,244,921**	34,301,914	**-**	-	**38,244,921**	34,301,914
Profit (loss) attributable to parent	**4,847**	(26,730)	**5,276,333**	8,973,178	**-**	-	**5,281,180**	8,946,448
Profit (loss) attributable to NCI	**855**	(4,717)	**931,118**	1,583,501	**-**	-	**931,973**	1,578,784
Profit (loss) for the year	**5,702**	(31,447)	**6,207,451**	10,556,679	**-**	-	**6,213,153**	10,525,232
Net cash from (used in) operating activities	**-**	-	**4,721,599**	2,513,297	**-**	-	**4,721,599**	2,513,297
Net cash from (used in) investing activities	**-**	-	**(2,375,046)**	(2,038,073)	**-**	(4,576,200)	**(2,375,046)**	(6,614,273)
Net cash from (used in) financing activities	**-**	-	**(2,348,072)**	192,114	**-**	-	**(2,348,072)**	192,114
Net cash inflow (outflow)	**-**	-	**(1,519)**	667,338	**-**	(4,576,200)	**(1,519)**	(3,908,862)

27. SUBSEQUENT EVENTS

Bought deal of common shares:

On January 25, 2023, the Corporation closed a bought deal financing and issued 11,151,550 common shares for total consideration of C$92,000,288 ($68,764,768).

Project financing facility:

On January 19, 2023 the Corporation closed a $100 million project financing facility (the “Facility”) to support construction of the Zgounder Silver Mine expansion in the Kingdom of Morocco. The Facility consists of a $92 million loan provided by the European Bank for Reconstruction and Development (“EBRD”) and a $8 million tranche (pari-passu with the EBRD) by the Climate Investment Funds through its Clean Technology Fund (“CTF”).

Key terms of the loan agreement include:

- $92 million loan provided by the EBRD
- $8 million loan provided by the CTF, pari-passu with the EBRD loan
- CTF interest rate reduction following achievement of three ESG and operational milestones:
  - Milestone 1: Task Force on Climate-related Financial Disclosures ("TCFD") report disclosed by end of 2023
  - Milestone 2: Investment completion by end of 2024
  - Milestone 3: Reaching "advanced" maturity on the TCFD Climate Governance and Strategy recommendation
- 6-year maturity from signing
  - 2-year principal grace period
  - 4-month availability period
- 6-month SOFR (0% floor) + 5.00%
  - CTF tranche can reduce to all-in rate of 1.00% following certain actions (see milestones above)
  - Interest and capital paid twice yearly
  - Commitment fee representing 30% margin for undrawn amounts during the availability period
- Cost overrun account of $18 million funded prior to first drawdown, debt service reserve account of $16.3 million funded at the end of the grace period
- Drawdowns available upon satisfaction of certain customary conditions precedent
- Security over all the Corporation’s assets
- No mandatory silver hedging, offtakes, production-linked payments or equity issuances as part of its structure