



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three- and nine-month periods
ended September 30, 2022, and 2021

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 condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board 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 condensed interim consolidated financial statements prior to their submission to the Board of Directors for approval.

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited, in United States dollars)

	September 30, 2022	December 31, 2021
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	55,582,119	81,665,834
Accounts receivable	612,630	2,167,539
Sales taxes receivable	7,699,700	4,699,052
Inventories (Note 3)	6,058,982	4,376,272
Prepaid expenses and security deposits	462,328	754,683
Tax installments	1,233,708	-
Options contracts (Note 16)	346,255	200,793
	71,995,722	93,864,173
Non-current		
Restricted cash (Note 16)	2,477,353	2,519,385
Non-refundable deposits to suppliers	1,053,178	1,355,487
Property, plant, and equipment (Note 4)	48,992,622	37,861,996
Exploration and evaluation assets (Note 5)	27,778,327	25,656,837
TOTAL ASSETS	152,297,202	161,257,878
LIABILITIES		
Current		
Accounts payable and accrued liabilities	17,963,044	13,957,575
Balance of purchase price payable (Note 6)	1,314,453	-
Income tax payable	-	3,248,575
Current portion of lease liabilities	176,918	244,634
	19,454,415	17,450,784
Non-current		
Lease liabilities	60,717	181,245
Balance of purchase price payable (Note 6)	-	1,393,461
Asset retirement obligations	1,025,726	1,149,441
Deferred income tax	930,841	1,081,258
TOTAL LIABILITIES	21,471,699	21,256,189
EQUITY		
Share capital (Note 7)	170,496,638	169,628,275
Equity reserves	6,081,876	15,560,651
Deficit	(53,330,914)	(52,233,997)
	123,247,600	132,954,929
Non-controlling interests	7,577,903	7,046,760
TOTAL EQUITY	130,825,503	140,001,689
TOTAL LIABILITIES AND EQUITY	152,297,202	161,257,878

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

On behalf of the Board,

Benoit La Salle /s/
President, CEO, Director

Yves Grou /s/
Director

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statements of Comprehensive (Loss) Income

(Unaudited, in United States dollars)

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue from silver sales (Note 11)	7,186,702	7,862,243	24,923,115	26,276,792
Cost of sales (Note 12)	6,412,530	4,772,246	19,358,343	13,657,931
Gross margin	774,172	3,089,997	5,564,772	12,618,861
Expenses				
General and administrative (Note 13)	1,389,890	1,408,744	4,086,934	3,678,996
Share-based payments (Note 8 & Note 9)	713,524	663,385	2,552,383	3,469,671
	2,103,414	2,072,129	6,639,317	7,148,667
Operating (loss) income	(1,329,242)	1,017,868	(1,074,545)	5,470,194
Net finance (income) expense (Note 13)	(1,879,486)	(659,573)	(1,650,871)	496,883
Net income before income taxes	550,244	1,677,441	576,326	4,973,311
Income tax (recovery) expense	(121,912)	389,629	1,142,100	2,615,136
Net (loss) income	672,156	1,287,812	(565,774)	2,358,175
Net (loss) income attributable to				
Equity holders of Aya Gold & Silver Inc.	792,097	1,010,827	(1,096,917)	939,100
Non-controlling interests	(119,941)	276,985	531,143	1,419,075
Net (loss) income	672,156	1,287,812	(565,774)	2,358,175
Other comprehensive (loss) income				
Items that will subsequently be reclassified to net income:				
Foreign currency translation adjustment	(8,193,172)	(2,610,138)	(11,611,196)	(959,061)
Comprehensive (loss) income	(7,521,016)	(1,322,326)	(12,176,970)	1,399,114
Basic (loss) income per common share (Note 18)	0.006	0.013	(0.005)	0.025
Diluted (loss) income per common share (Note 18)	0.006	0.013	(0.005)	0.023
Weighted average number of shares - basic (Note 18)	105,104,588	95,677,670	105,083,896	96,101,865
Weighted average number of shares - diluted (Note 18)	112,294,877	99,060,217	105,083,896	100,383,490

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

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statements of Changes in Equity

(Unaudited, in United States dollars)

	Share Capital		Equity Reserves				Deficit attributable to equity holders of Aya Gold & Silver Inc.	Non-controlling interests	Total equity
	Number of issued and outstanding shares	Share capital	Contributed surplus ^(a)	Accumulated other comprehensive income (loss) ^(b)	Equity Reserves				
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 7 & Note 8)	85,350	791,012	(342,611)	-	(342,611)	-	-	448,401	
Vested and issued units (Note 8 & Note 9)	12,354	77,351	(77,351)	-	(77,351)	-	-	-	
Share-based payments (Note 9)	-	-	2,552,383	-	2,552,383	-	-	2,552,383	
	104,976,857	170,496,638	20,144,881	(2,451,809)	17,693,072	(52,233,997)	7,046,760	143,002,473	
Net (loss) income	-	-	-	-	-	(1,096,917)	531,143	(565,774)	
Other comprehensive income	-	-	-	(11,611,196)	(11,611,196)	-	-	(11,611,196)	
Comprehensive (loss) income	-	-	-	(11,611,196)	(11,611,196)	(1,096,917)	531,143	(12,176,970)	
Balance as at September 30, 2022	104,976,857	170,496,638	20,144,881	(14,063,005)	6,081,876	(53,330,914)	7,577,903	130,825,503	
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	2,820,736	10,076,294	-	-	-	-	-	10,076,294	
Exercise of warrants and options (Note 7 & Note 8)	2,846,703	8,171,174	(2,324,416)	-	(2,324,416)	-	-	5,846,758	
Share-based payments (Note 9)	-	-	3,469,671	-	3,469,671	-	-	3,469,671	
Shares issuance	6,830,000	55,202,199	-	-	-	-	-	55,202,199	
Share issue costs	-	-	-	-	-	(3,257,543)	-	(3,257,543)	
Non-controlling interest of Algold	-	-	-	-	-	-	4,576,200	4,576,200	
	104,679,153	168,963,126	17,300,767	(2,147,399)	15,153,368	(51,744,823)	5,467,976	137,839,647	
Net income	-	-	-	-	-	939,100	1,419,075	2,358,175	
Other comprehensive (loss) income	-	-	-	(959,061)	(959,061)	-	-	(959,061)	
Comprehensive (loss) income	-	-	-	(959,061)	(959,061)	939,100	1,419,075	1,399,114	
Balance as at September 30, 2021	104,679,153	168,963,126	17,300,767	(3,106,460)	14,194,307	(50,805,723)	6,887,051	139,238,761	

(a) Contributed surplus reserve records the cumulative amounts of compensation expense recognized under IFRS 2 Share-Based Payments 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 condensed interim consolidated financial statements.

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2022	2021	2022	2021
Cash flows provided by (used in)	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net income (loss)	672,156	1,287,812	(565,774)	2,358,175
Adjustments for non-cash items				
Share-based payments (Note 9)	713,524	663,385	2,552,383	3,469,671
Amortization of property, plant, and equipment (Note 4)	1,162,888	666,135	4,125,385	2,257,928
Accretion expense (Note 13)	59,264	59,583	184,908	171,832
Unrealized loss (gain) on foreign exchange	1,654,670	530,609	3,307,236	884,224
Change in fair value of options contracts	(405,830)	(294,167)	(273,599)	(310,343)
	3,856,672	2,913,357	9,330,539	8,831,487
Changes in working capital items (Note 17)	1,844,223	2,765,622	(3,321,000)	6,713,365
	5,700,895	5,678,979	6,009,539	15,544,852
INVESTING ACTIVITIES				
Net change in restricted cash	(135,823)	(45,242)	(150,500)	2,634
Assets acquisition of Algold	-	-	-	(3,353,541)
Transaction costs for assets acquisition of Algold	-	-	-	(198,858)
Deposits to suppliers for capital expenditures	-	(537,316)	-	(1,723,080)
Acquisition of property, plant and equipment (Note 4)	(9,846,983)	(2,917,520)	(23,051,182)	(4,901,712)
Additions to exploration and evaluation assets (Note 5)	(1,834,014)	(3,366,974)	(4,446,065)	(7,268,740)
	(11,816,820)	(6,867,052)	(27,647,747)	(17,443,297)
FINANCING ACTIVITIES				
Repayment of lease liabilities	(57,439)	(62,482)	(186,353)	(145,294)
Proceeds from exercise of warrants	-	1,963,177	48,969	4,831,674
Proceeds from exercise of options	-	482,291	399,432	1,015,084
Proceeds from share issuance	-	55,202,199	-	55,202,199
Share issue costs	-	(3,257,543)	-	(3,257,543)
	(57,439)	54,327,642	262,048	57,646,120
Effect of exchange rate changes on cash in foreign currencies	(3,693,111)	(1,911,273)	(4,707,555)	(965,852)
Net change in cash	(9,866,475)	51,228,296	(26,083,715)	54,781,823
Cash, beginning of period	65,448,594	34,086,926	81,665,834	30,533,399
Cash, end of period	55,582,119	85,315,222	55,582,119	85,315,222

Supplemental cash flow information (Note 17)

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

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

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. Aya owns 85% of Zgounder Millennium Silver Mine S.A ("ZMSM"), which owns the Zgounder property. 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 AND SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The condensed interim consolidated financial statements of the Corporation for the three and nine-month periods ended September 30, 2022 and 2021 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). IFRS includes IFRSs, International Accounting Standards ("IAS"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2021 which have been prepared in accordance with IFRS.

The Board of directors approved and authorized for issue these condensed interim consolidated financial statements, on November 14, 2022.

Basis of measurement

The condensed interim 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 in the Tijirit property acquired, which is initially measured at the proportionate share of the acquiree's identifiable net assets as at the date of acquisition.

Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements 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

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

reported amounts of revenues and expenses during the reported period. 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In preparing these condensed interim consolidated financial statements, the significant judgments made by management applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those described in the Corporation's audited consolidated financial statements for the year ended December 31, 2021.

Significant accounting policies

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2021.

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:

Subsidiary	Registered	Ownership, voting Right	Principal activity	Functional Currency
Aya Gold & Silver Morocco S.A. ("AGSM")	Morocco	100%	Exploration	Moroccan dirham
Zgounder Millennium Silver Mining S.A. ("ZMSM")	Morocco	85%	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 SARL ("ALGOLD SARL")	Mauritania	100%	Exploration	Mauritanian Ouguiya
Société Tijirit Recherche et Exploration SARL ("TIREX")	Mauritania	75%	Exploration	Mauritanian Ouguiya
Precious Metal Finance and Services Inc. ("PMFS")	Cayman Islands	100%	Payroll/ Holding	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 reporting currency is the US dollar.

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

3. INVENTORIES

	September 30, 2022	December 31, 2021
	\$	\$
Mining supplies	4,400,528	2,527,912
Silver bars	455,975	745,935
Silver in concentrate	593,653	946,150
Silver in circuit	10,436	22,835
Ore stockpile	598,390	133,440
	6,058,982	4,376,272

For the three and nine-month periods ended September 30, 2022, the Corporation recognized \$4,317,143 and \$14,703,514 respectively of inventory costs in the cost of sales (\$3,480,824 and \$10,450,196 for the three and nine-month periods ended September 2021 respectively).

4. PROPERTY, PLANT, AND EQUIPMENT

The majority of properties, plant and equipment are located in Morocco and are related to the Zgounder mine. As at September 30, 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 5)	-	-	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
Additions	2,364,304	1,388,811	3,920,301	15,596,015	31,996	23,301,427
Lease terminations	-	-	-	-	(5,597)	(5,597)
Asset retirement obligation	-	(147,966)	-	-	-	(147,966)
Foreign exchange	(456,509)	(2,184,566)	(2,730,929)	(3,659,915)	(119,400)	(9,151,319)
Balance at September 30, 2022	2,741,176	12,672,299	19,410,022	23,093,821	782,583	58,699,901

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

4. 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
	\$	\$	\$		\$	\$
Depreciation						
Balance at January 1, 2021	126,055	1,429,417	2,080,551	-	301,112	3,937,135
Amortization	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
Amortization	31,641	1,625,990	2,276,185	-	191,569	4,125,385
Foreign exchange	(25,464)	(603,939)	(669,085)	-	39,022	(1,259,466)
Balance at September 30, 2022	134,704	3,905,093	5,017,973	-	649,509	9,707,279
Carrying amounts						
At December 31, 2021	704,854	10,732,978	14,809,777	11,157,721	456,666	37,861,996
At September 30, 2022	2,606,472	8,767,206	14,392,049	23,093,821	133,074	48,992,622

Assets under construction are located in Morocco and represent expenditures for the construction and development of assets for which the Corporation intends to put into production.

5. EXPLORATION AND EVALUATION ASSETS

During the nine-month period ended September 30, 2022, and the year ended December 31, 2021, changes in exploration and evaluation assets were as follows:

	September 30, 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	(1,499,290)	(369,007)
Balance, end of the period	19,890,860	21,390,150
Deferred exploration and evaluation expenses		
Balance, beginning of the period	4,266,687	5,106,507
Additions		
Drilling, Sampling, Geology, and others	4,446,065	11,087,543
Foreign exchange	(825,285)	53,737
Transfers to property, plant and equipment	-	(11,981,100)
Balance, end of the period	7,887,467	4,266,687
Total	27,778,327	25,656,837

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

5. EXPLORATION AND EVALUATION ASSETS (continued)

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.

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

	September 30, 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	342,850	1,769,008	4,657	938,524	1,391,026	4,446,065
Foreign exchange	(16,300)	(561,284)	(418)	(247,284)	(1,499,290)	(2,324,575)
Closing Balance	326,550	6,641,634	30,870	1,409,477	19,369,795	27,778,327

	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	-	-	-	-	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

Tijirit project

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 is valid from November 18, 2020 for a period of 24 months assuming that the Corporation is able to operate. The following milestones must be reached during these periods:

- (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 signing date.

The Corporation is expecting a letter from the Ministry of Oil, Mines and Energy of Mauritania confirming that the 14-month and 24-month deadlines referred to above have reset on the date exploration activities have recommenced on October 12, 2022.

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

6. BALANCE OF PURCHASE PRICE PAYABLE

	September 30, 2022	December 31, 2021
	\$	\$
Balance, beginning of the period	1,393,461	1,238,141
Accretion expense	152,994	198,404
Foreign exchange	(232,002)	(43,084)
Balance, end of the period	1,314,453	1,393,461
Current portion	1,314,453	-
Non-current portion	-	1,393,461

The Boumadine property is expected to be transferred to Boumadine Global Mining S.A., 85%-owned by the Corporation and 15% by ONHYM, during the year ending December 31, 2022. A non-interest-bearing payable in an amount of 15,000,000 MAD (\$1,314,453) is due at the later of the transfer date of the Boumadine property or January 1, 2023.

7. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Common Shares

As at September 30, 2022, the Corporation had 104,976,857 issued and outstanding common shares (December 31, 2021 - 104,879,153).

Transactions during the nine-month period ended September 30, 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 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\$9.00 (\$7.20) while the maximum was C\$10.56 (\$8.24).

8. SHARE PURCHASE WARRANTS

The outstanding share purchase warrants as at September 30, 2022 and December 31, 2021 and the respective changes during the period are summarized as follows:

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8. SHARE PURCHASE WARRANTS (continued)

	Nine-month period ended		Year ended	
	September 30, 2022		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

(1) Weighted average exercise price in Canadian dollars.

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

Expiry Date	Nine-month period ended	
	Number	Exercise Price C\$ ⁽¹⁾
September 3, 2023	4,609,448	3.30
Balance exercisable, end of the period	4,609,448	3.30

(1) Weighted average exercise price in Canadian dollar.

9. 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 September 30, 2022 and as at December 31, 2021 and the respective changes during the period then year ended are summarized as follows:

	Nine-month period ended		Year ended	
	September 30, 2022		December 31, 2021	
	Number	C\$	Number	C\$
Balance, beginning of the period	6,151,334	2.29	6,195,000	1.69
Granted	-	-	783,000	6.25
Exercised	(66,600)	7.69	(826,666)	1.52
Balance, end of the period	6,084,734	2.23	6,151,334	2.29
Exercisable	5,823,729	2.05	4,079,324	2.11

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9. SHARE-BASED PAYMENTS (continued)

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

	September 30, 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	4,518,334	4,518,334	1.43
March 3, 2031	383,000	255,329	4.75
May 12, 2031	333,400	200,066	7.69
	6,084,734	5,823,729	

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

	Nine-month period ended September 30, 2022	Nine-month period ended September 30, 2021
Weighted average fair value of awards	-	C\$3.92 - C\$6.37
Unvested forfeiture rate	-	0%
Grant option price	-	C\$4.75 - C\$7.69
Market share price	-	C\$4.75 - C\$7.69
Volatility	-	83.31% - 83.54%
Risk-free rate	-	1.40% - 1.58%
Dividend yield	-	0%
Expected life	-	10 years

A share-based payment expense of \$132,139 and \$1,056,747 was recognized during the three and nine-month periods ended September 30, 2022 respectively (\$591,616 and \$3,105,833 during the three and nine-month periods ended September 30, 2021 respectively). 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 RSU's as at September 30, 2022 are as follows:

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9. SHARE-BASED PAYMENTS (continued)

	Nine-month period ended		Year ended	
	September 30, 2022		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)	7.48
Balance, end of the period	591,017	8.73	131,819	8.22
Exercisable	-	-	-	-

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

A share-based compensation payment of \$322,894 and \$729,606 was recognized during the three and nine-months ended September 30, 2022 respectively (\$71,769 and \$163,189 during the three and nine-month periods ended September 30, 2021 respectively).

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 vest on termination of service.

Pursuant to the terms of the DSU Plan, Directors will receive, upon vesting of the DSUs, common shares of the Corporation issued from treasury. The outstanding DSU's as at September 30, 2022 are as follows:

	Nine-month period ended		Year ended	
	September 30, 2022		December 31, 2021	
	Number	C\$(³)	Number	C\$(³)
Balance, beginning of the period	60,273	7.94	-	-
Granted	125,102	7.86	60,273	7.94
Vested and issued	(12,354)	8.06		
Balance, end of the period	173,021	8.45	60,273	7.94
Exercisable	-	-	-	-

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

A share-based compensation payment of \$258,491 and \$766,030 was recognized during the three and nine-months ended September 30, 2022 respectively \$nil and \$200,649 during the three and nine-month periods ended September 30, 2021 respectively).

10. 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

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10. SEGMENTED INFORMATION (continued)

- for which discrete financial information is available.

For the three and nine-month periods ended September 30, 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 period ended September 30, 2022 and December 31, 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.

	September 30, 2022		
	Total non-current assets	Total assets	Total liabilities
	\$	\$	\$
Production (Zgounder Silver Mine - Morocco)	47,038,549	62,330,096	14,049,907
Exploration, evaluation, and development (Morocco)	7,398,819	7,398,819	728,919
Exploration, evaluation, and development (Mauritania)	19,369,795	19,369,795	454,658
Corporate	6,494,317	63,198,492	6,238,215
Total per consolidated statement of financial position	80,301,480	152,297,202	21,471,699

	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

	Three months ended September 30, 2022 and 2021		Cost of sales	G&A expenses	Operating income (loss)
		Revenue			
Production (Zgounder Silver Mine)	2022	7,186,702	6,412,530	27,608	746,564
	2021	7,862,243	4,772,246	-	3,089,997
Exploration	2022	-	-	-	-
	2021	-	-	-	-
Corporate	2022	-	-	2,075,806	(2,075,806)
	2021	-	-	2,072,129	(2,072,129)
Consolidated	2022	7,186,702	6,412,530	2,103,414	(1,329,242)
	2021	7,862,243	4,772,246	2,072,129	1,017,868

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10. SEGMENTED INFORMATION (continued)

Nine months ended September 30, 2022 and 2021		Revenue		Cost of sales	G&A expenses	Operating income (loss)
		2022	2021	2022	2022	2021
Production (Zgounder Silver Mine)	2022	24,923,115	19,358,343	19,358,343	87,274	5,477,498
	2021	26,276,792	13,657,931	13,657,931	-	12,618,861
Exploration	2022	-	-	-	-	-
	2021	-	-	-	-	-
Corporate	2022	-	-	-	6,552,043	(6,552,043)
	2021	-	-	-	7,148,667	(7,148,667)
Consolidated	2022	24,923,115	19,358,343	19,358,343	6,639,317	(1,074,545)
	2021	26,276,792	13,657,931	13,657,931	7,148,667	5,470,194

11. 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 three and nine-month periods ended September 30, 2022, and 2021:

Revenue from sales	Three-month period ended September 30,		Nine-month period ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Ingots	5,629,731	4,341,190	14,488,147	12,837,227
Silver concentrate	2,166,990	4,024,395	12,237,267	15,222,257
Less: treatment, smelting, and refining costs	(610,019)	(503,342)	(1,802,299)	(1,782,692)
	7,186,702	7,862,243	24,923,115	26,276,792

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

12. ADDITIONAL INFORMATION ON THE NATURE OF COST OF SALES

The following is a breakdown of the nature of cost of sales for the three and nine-month periods ended September 30, 2022 and 2021:

Cost of sales	Three-month period ended September 30,		Nine-month period ended September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Consumables, supplies, services, and other expenses	4,918,144	3,775,475	14,262,542	10,241,080
Freight outbound	119,514	125,621	328,549	367,320
Royalties	239,592	205,015	729,141	791,603
Amortization (Note 4)	1,135,280	666,135	4,038,111	2,257,928
	6,412,530	4,772,246	19,358,343	13,657,931

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13. 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 three and nine-month periods ended September 2022, and 2021:

General and administrative expenses	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and benefits	246,741	354,845	827,308	1,104,930
Consulting fees	324,766	454,989	967,856	1,080,467
Investor relations	217,628	163,923	672,306	339,660
Amortization – G&A	27,608	-	87,274	-
Office	123,388	186,194	386,078	339,037
Professional fees	418,495	201,424	1,045,704	699,857
Reporting issuer costs	31,264	47,369	100,408	115,045
	1,389,890	1,408,744	4,086,934	3,678,996

Finance (income) expense	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Fair value adjustments on options contracts	(492,427)	(294,167)	(407,667)	(310,343)
Interest income	(263,188)	(36,345)	(442,508)	(119,910)
Loss (gain) on foreign exchange	(1,183,136)	(388,644)	(985,604)	755,304
Accretion expense	59,265	59,583	184,908	171,832
	(1,879,486)	(659,573)	(1,650,871)	496,883

Expenses recognized for employee benefits	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and bonuses	811,212	1,676,106	4,852,035	3,814,073
Fringe benefits costs	481,117	248,862	1,013,632	1,009,418
Post-employment benefits and short-term employee benefits	57,052	41,641	160,558	106,578
Post-employment benefits from government plans	46,146	38,177	139,826	97,202
Share-based payments (Note 9)	713,524	663,385	2,552,383	3,469,671
	2,109,051	2,668,171	8,718,434	8,496,942

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14. 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 September 30, 2022, managed capital is \$123,247,600 (\$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 three and nine-month periods ended September 30, 2022.

15. 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 three and nine-month periods ended September 30, 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. As at September 30, 2022 and December 31, 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

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15. FINANCIAL RISK MANAGEMENT (continued)

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.

The following are the contractual maturities of financial liabilities and other liabilities, including interest where applicable as at September 30, 2022:

	Carrying Amount	Contractual cash flows	0-12 months	12-24 months	More than 24 months
	\$	\$	\$	\$	\$
Accounts payable & accrued liabilities	17,963,044	17,963,044	17,963,044	-	-
Balance of purchase price payable	1,314,453	1,432,208	1,432,208	-	-
Lease liabilities	237,635	248,311	176,918	30,411	30,306
	19,515,132	19,643,563	19,572,170	30,411	30,306

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	1,393,461	1,616,310	-	1,616,310	-
Lease liabilities	425,879	444,971	244,634	143,434	37,811
	15,776,915	16,018,856	14,202,209	1,759,744	37,811

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 September 30, 2022 was \$346,255 (\$200,793 as at December 31, 2021). As a September 30, 2022 the Corporation had cash collateral balances related to option contracts being held of \$2,250,000 (\$2,250,000 as at December 31, 2021). They are reflected as part of restricted cash in escrow in the condensed interim consolidated statement of financial position.

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15. FINANCIAL RISK MANAGEMENT (continued)

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

September 30, 2022	USD	EUR	MAD	Total
	\$	\$		\$
Cash and cash equivalents	22,402,941	232,543		22,635,484
Prepays	75,762			75,762
Accounts receivable	112,549		-	112,549
Accounts payable and accrued liabilities	(516,371)	(106,717)	-	(623,087)
Balance of purchase price payable	-	-	1,314,453	1,314,453
	22,074,881	125,826	1,314,453	23,515,161

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	-	(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 September 30, 2022 would be approximately \$2,350,000 (\$3,145,000 as December 31, 2021).

16. FINANCIAL INSTRUMENTS

The classification of financial instruments is summarized as follows, as at September 30, 2022:

Financial Assets	Classification	September 30, 2022	December 31, 2021
		\$	\$
Cash and cash equivalents	Financial assets at amortized cost	55,582,119	81,665,834
Accounts receivable	Financial assets at amortized cost	612,630	2,167,539
Restricted cash	Financial assets at amortized cost	2,477,353	2,519,385
		58,672,102	86,352,758

Financial Liabilities	Classification	September 30, 2022	December 31, 2021
		\$	\$
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	17,963,044	13,957,575
Balance of purchase price payable	Financial liabilities at amortized cost	1,314,453	1,393,461
		19,277,497	15,351,036

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16. FINANCIAL INSTRUMENTS (continued)

Financial Assets (Liabilities)	Classification	September 30,	December 31,
		2022	2021
		\$	\$
Option contracts	Fair value through profit & loss	346,255	200,793
		346,255	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. Their carrying values are considered to be a reasonable approximation of their fair value because of their short-term maturity and/or of the contractual terms of these instruments. The fair value of the balance of purchase price for the acquisition of the Boumadine property is a reasonable approximation of its fair value as it is discounted using the effective interest rate, which approximates the current rate that could be obtained with similar terms and credit risk. Fair value of restricted cash is very similar to the amortized cost due to the nature of the underlying asset.

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 September 30, 2022, the following represents the classification of fair value instruments:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Option contracts	-	346,255	-	346,255

The Corporation's foreign currency option contracts are not traded in active markets. The fair value of these instruments has been determined using observable forward exchange rates. The effects of non-observable inputs are not significant for foreign contract positions.

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17. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Accounts receivable	4,237,391	405,534	1,554,910	1,865,731
Sales tax receivable	(1,031,820)	(1,254,029)	(3,000,648)	(2,236,316)
Inventories	(1,351,156)	(29,653)	(1,682,710)	(1,644,903)
Prepaid expenses and security deposits	320,633	(500,369)	292,354	(129,110)
Prepaid tax installments	(702,128)	-	(1,233,708)	-
Accounts payable and accruals	399,836	3,467,377	4,022,620	7,081,376
Income tax payable	(28,533)	555,566	(3,273,818)	1,684,215
Non-refundable deposits to suppliers	-	121,196	-	92,372
	1,844,223	2,765,622	(3,321,000)	6,713,365
Non-cash transactions				
Variation of deposits to suppliers for capital expenditures	(522,132)	-	218,249	-

18. EARNINGS (LOSS) 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 three and nine-month periods ended September 30, 2022 and 2021 are as follows:

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Net earnings (loss)	672,156	1,287,812	(565,774)	2,358,175
Weighted average number of shares – basic	105,104,588	95,677,670	105,073,896	96,101,865
Impact of dilutive securities				
Regular warrants	2,475,123	1,621,252	-	2,192,423
Stock options, RSUs and DSUs	4,715,166	1,761,295	-	2,089,202
Weighted average number of shares – diluted	112,294,877	99,060,217	105,073,896	100,383,490
Earnings per share – basic	0.006	0.013	(0.005)	0.025
Earnings per share – diluted	0.006	0.013	(0.005)	0.023

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

19. RELATED PARTY TRANSACTIONS (continued)

During the three and nine-month periods ended September 30, 2022 and 2021 and the year ended December 31, 2021 the following related party transactions occurred in the normal course of operations:

- 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 \$11,985 and \$43,664 for the three-month and nine-month periods ended September 30, 2022 respectively (\$19,471 and \$47,291 for the three-month and nine-month periods ended September 30, 2021 respectively) and exploration and evaluation fees amounting to \$13,724 and \$41,079 for the three-month and nine-month periods ended September 30, 2022 respectively (\$12,077 and \$34,745 for the three-month and nine-month periods ended September 30, 2021 respectively). As at September 30, 2022, \$nil (December 31, 2021 - \$nil) was due to that company;
- Management and consulting fees to Groupe Conseils Grou, La Salle Inc., a company owned by the President and Chief Executive Officer of \$181,718 and \$555,178 for the three-month and nine-month periods ended September 30, 2022 respectively (\$188,756 and \$411,728 for the three-month and nine-month periods ended September 30, 2021 respectively) and general and administrative fees of \$nil for the three-month and nine-month periods ended September 30, 2022 (\$11,787 and \$35,587 for the three-month and nine-month periods ended September 30, 2021 respectively). As at September 30, 2022, \$273,049 (December 31, 2021 - \$445,141) 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 three and nine-month periods ended September 30, 2022 and 2021, the remuneration awarded to key management personnel (including the amounts above) is as follows:

	Three-month periods ended		Nine-month periods ended	
	September 30,		September 30,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Salaries and benefits	224,395	242,918	800,399	528,952
Management consulting and professional fees	296,175	208,845	815,768	501,754
Director fees	-	72,283	23,261	223,627
Share based payments	509,552	260,550	1,618,040	1,593,535
	1,030,122	784,596	3,257,468	2,847,868

Aya Gold & Silver Inc.

Condensed Interim Consolidated Statement of Cash Flows

(Unaudited, in United States dollars)

20. SUBSEQUENT EVENTS

The Corporation has, subject to customary closing conditions and regulatory approvals expected before the end of 2022, reached an agreement with the National Office of Hydrocarbons and Mines ("ONHYM") to acquire the ONHYM's 15% interest in the Zgounder project and five adjacent permits to the Zgounder Silver Mine for a total consideration of 67 million dirhams (approximately US\$6.5 million). ONHYM will maintain its 3% royalty on the Zgounder property, and a 3% royalty is granted on production coming from the new permits.

The Corporation has secured, subject to customary documentation and conditions precedent, a US\$100 million debt financing package to support expansion of the Zgounder Silver Project. The European Bank for Reconstruction and Development ("EBRD") has received final board approval to provide a Senior Debt Facility of US\$92 million, while the Climate Investment Funds, through its Clean Technology Fund ("CTF"), is providing a US\$8 million tranche, pari-passu with the EBRD. Customary documentation is expected to be finalized by December 2022.

Key terms of the loan agreement include:

- US\$92 million loan provided by the EBRD
- US\$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
 - 2-year principal grace period
 - 24-month availability period