MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year and quarter ended December 31, 2023

GOLD & SILVER

Management’s discussion and analysis of financial condition and results of operations

This Management’s Discussion and Analysis (“MD&A”) of the operations, results, and financial position of Aya Gold & Silver Inc. (“Aya”) and its subsidiaries (together the “Corporation”), dated March 27, 2024, covers the three months (“Q4-2023” or the “Quarter”) and the year ended December 31, 2023 and the subsequent period up to the date of issuance of this MD&A. This MD&A is prepared by management and should be read in conjunction with the Corporation’s Audited Consolidated Financial Statements (“FS”) and related notes for the years ended December 31, 2023 and 2022.

The Corporation’s December 31, 2023 consolidated financial statements and the financial information contained in this MD&A have been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in thousands of United States dollars (“US”), except for per share amounts, unless otherwise indicated. References to “C$” are to the Canadian dollar.

This MD&A contains forward-looking information that is subject to risk factors set out in a cautionary note in this MD&A under “Cautionary Statement Regarding Forward-Looking Information”. All information contained in the FS and this MD&A has been reviewed by the Audit Committee and approved by the Corporation’s Board of Directors. This MD&A is current as of March 27, 2024, unless otherwise stated.

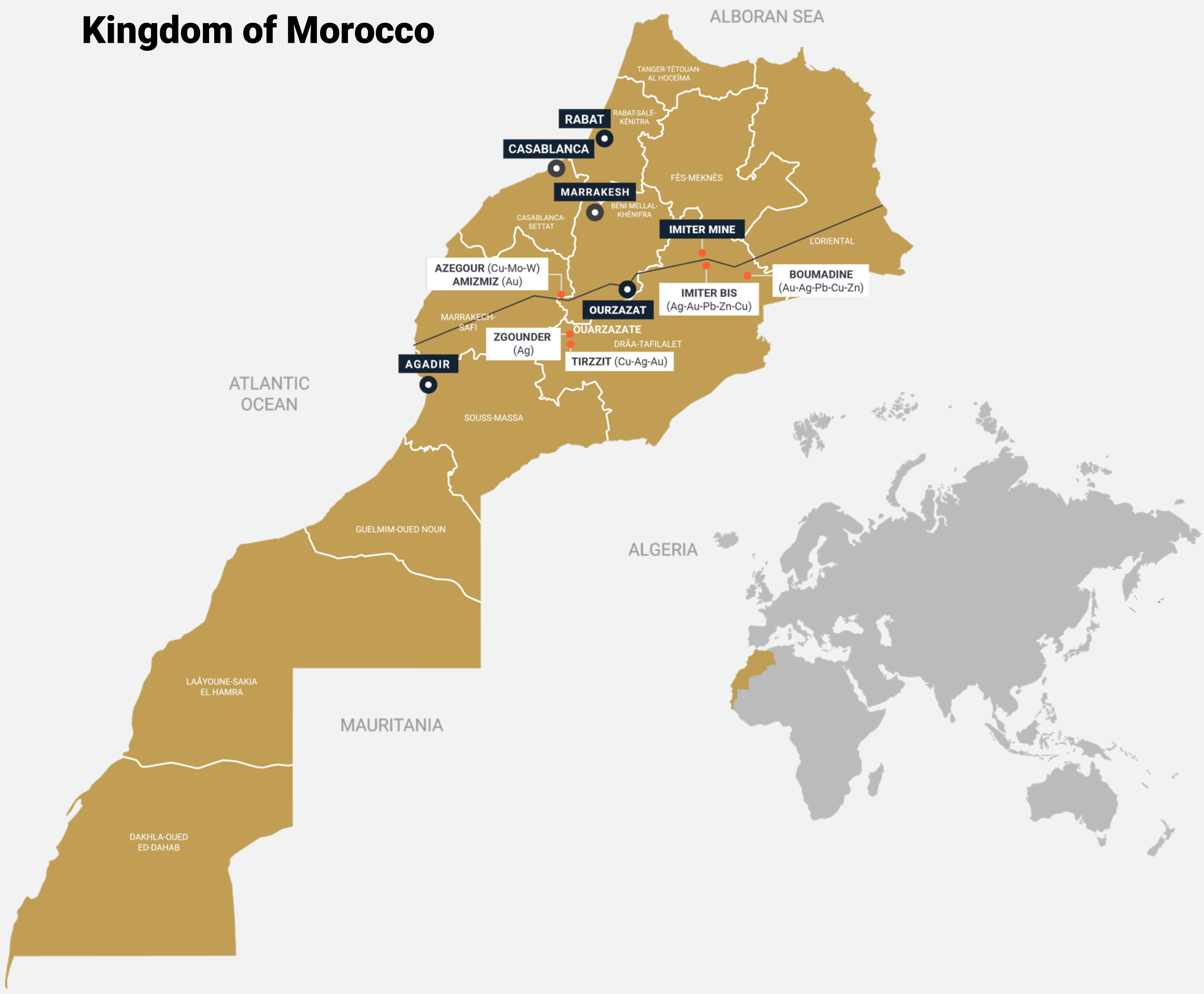
Contents

Business Overview

Aya Gold & Silver Inc. 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 100% of Zgounder Millennium Silver Mine S.A ("ZMSM"), which owns the Zgounder property. The Corporation also owns 85% of the Boumadine polymetallic project and owns the permits related to the Amizmiz, Azegour, Zgounder Regional and Imiter bis properties. On June 28, 2023, the Corporation acquired the Tirzzit Project ("Tirzzit"), a collection of seven permits located 25 kilometers ("km") from the Zgounder property. These properties are located in the Kingdom of Morocco. Aya also owns 75% of the Tijirit project located in Mauritania.

Aya was incorporated under the Canada Business Corporations Act; its financial year-end is December 31, and it trades on the Toronto Stock Exchange under the symbol "AYA" and on the OTCQX under the symbol "AYASF". Aya's issued and outstanding share capital totals 130,046,603 common shares on March 27, 2024. The Zgounder Silver Mine is in operation while all other projects are at the exploration and evaluation stage.

Kingdom of Morocco



2023 Highlights

Operational and Financial:

- Exceeded 2023 production guidance with silver production of 1,970,646 ounces (“oz”).
- Ore processed increased to 281,634 tonnes (“t”) in 2023 compared to 254,976 tonnes in 2022.
- 493,340 tonnes of ore mined in 2023 for an average of 1,352 tonnes per day (“tpd”), on schedule for mine ramp-up.
- Revenue of $42.8 million in 2023, a 12% increase from 2022.
- Beat 2023 cash cost guidance with cost per silver ounce sold of $12.50 in 2023 (1).
- Robust financial position with $70.3 million of cash, cash equivalents and restricted cash as at December 31, 2023, compared to $41.8 million as at December 31, 2022 (2).
- Ranked 14th on the 2023 TSX30 as a top-performing stock with a 3-year share appreciation of 498%.
- Ranked 12th in the 2024 OTCQX Best 50, a list of top-performing stocks traded on the OTCQX Best Market in 2023.

Expansion, Development and Exploration:

- Advanced expansion of Zgounder Mine on budget and on schedule for Q2-2024 commissioning.
- Conducted 17,752 meters (“m”) of diamond drill hole (“DDH”) drilling at Zgounder.
- Completed 10,900m of DDH on Zgounder Regional.
- Acquired 4 new permits including one with a historic copper mine.
- Advanced development of Boumadine through 74,295m of DDH drilling, initial metallurgical test work, and acquisition of five permits.

Environmental, Social and Governance (“ESG”):

- Continued solidifying health and safety (“H&S”) processes through preventive measures, analyses, and 10,760 hours of training.
- Signed a 20-year renewable-energy Power Purchase Agreement (“PPA”) for Zgounder expanded operations and advanced construction of its electrical infrastructure towards operationalization in Q2-2024.
- Expanded Published inaugural Climate Action Report in alignment with the Task Force on Climate-Related Financial Disclosures (“TCFD”), instituted new corporate policies, and reported performance to the 2023 S&P Global Corporate Sustainability Assessment (“CSA”).
- Deepened community engagement through launch of livelihood and water access programs in partnership with local authorities.

Project Facility for Zgounder Silver Mine Expansion

On January 19, 2023, the Corporation entered into a credit agreement for a secured financing facility with the European Bank for Reconstruction and Development (“EBRD”) (the “Facility”) to provide financing for the construction of the 2,000 tpd process plant for the Zgounder Silver Mine of up to $100,000.

The Facility consists of a $92,000 loan provided by the EBRD (“EBRD Tranche”) and an $8,000 tranche (pari-passu with the EBRD) by the Climate Investment Funds (“CTF”) (“CTF Tranche”), managed by the EBRD. Amounts borrowed under the Facility incur interest at a rate of SOFR plus 5% for the EBRD Tranche and 9.31% for the CTF Tranche. Interest is paid bi- yearly on July 19 and January 19. There is a principal holiday for the first two years of the loan.

(1) The Corporation reports non-GAAP measures, including cash costs per silver ounce and available liquidity, which are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and the methods used by the Corporation to calculate such measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 27-28 for a reconciliation of non-GAAP to GAAP measures.
(2) Non-GAAP Measures, consisting of cash and cash equivalents of $49,830 and restricted cash of $20,503 (December 31, 2022, balances of $39,360 and $2,489 respectively).

Interest rate on the CTF tranche may be reduced upon completion of the following three milestones:

- **Milestone 1:** TCFD report disclosed by end of 2023 has resulted in a 25% rate reduction;
- **Milestone 2:** Completion of certain capital expenditure set out in the TCFD report and in the development plan by end of 2024 will result in a 50% rate reduction;
- **Milestone 3:** Reaching “advanced” maturity on the TCFD’s Climate Governance and Strategy recommendation will result in reduction of interest to an all-in rate of 1.00%.

The funds are available for a period of 24 months and a commitment fee of 1.5% per annum for undrawn amounts during the availability period must be paid to the EBRD.

All debts under the facility are guaranteed by the Corporation and its subsidiaries and secured by the assets of the Corporation and pledges of the securities of the Corporation’s subsidiaries, ZMSM. Starting on the 2nd year anniversary of the signature of the loan, ZMSM must maintain certain working capital ratios and adhere to other non-financial covenants.

As at December 31, 2023, $60 million had been drawn under the Facility. In addition, a cost overrun account of $18,000 has been funded and is included in restricted cash. Once the construction is over, the Corporation will transfer the balance to a Debt Service Reserve Account (“DSRA”). The Corporation will need to keep a balance of $16,250 in the DSRA and it will be held in restricted cash. By year-end 2023, the Corporation had completed milestone 1 of the CTF tranche, resulting in a 25% reduction in the interest rate of the CTF tranche. The new interest rate on the CTF Tranche is 6.98%.

January 2023 Corporate Financing

On January 25, 2023, the Corporation closed a bought deal public financing and issued 11,151,550 common shares of the Corporation at a price of C$8.25 per common share for gross proceeds of C$92 million ($68.8 million). The common shares were issued by way of a prospectus supplement, filed on January 19, 2023. The proceeds from the financing are intended for the expansion of the Zgounder Mine, for advancement of its exploration programs at Zgounder, Zgounder Regional and Boumadine, and for general corporate purposes (See section Use of Proceeds).

Acquisition of Tirzzit

On June 28, 2023, the Corporation acquired Tirzzit, a collection of seven permits located 25 km from the Zgounder Silver Mine in the Kingdom of Morocco.

The Corporation issued 622,728 of its shares at C$8.36 (having a value of $3,936) and paid $854 in cash for a total consideration of $4,790 in connection with the acquisition.

Management concluded that Tirzzit does not meet the definition of a business, and consequently the transaction was accounted for as an asset acquisition. The assets acquired include seven permits within a property of 67.7 square km, comprising five exploration permits and two mining licenses, one of which hosts a historical high-grade copper mine.

Q4-2023 Highlights

Operational and Financial:

- Silver production of 450,046 oz in Q4-2023 compared to 661,621 oz in Q4-2022.
- Ore processed increased to 66,449t in Q4-2023 compared to 63,283t in Q4-2022.
- Revenue of $11.1 million in Q4-2023, a 17% decrease from Q4-2022.
- Cash cost per silver ounce sold of $13.69 in Q4-2023 compared to $10.94 in Q4-2022 (3).

Expansion, Development and Exploration:

- Progressed construction of Zgounder Mine expansion on schedule to 80% completion.
    - Completed construction of the new tailings storage facilities.
    - Commenced installation of ball mill on site.
- Conducted 8,686m of DDH drilling at Zgounder and launched at-depth DDH program.
- Completed 395m of DDH on Zgounder Regional, including 90m on the Tourchkal area.
- Completed the 2023 DDH program at Boumadine for inclusion in the NI-43-101 resource estimate in 2024.

Environmental, Social and Governance:

- Rolled out community programs with a focus on health, water access, and livelihood projects.

Recent Developments

- On February 14, 2024, the Corporation closed a bought-deal public financing and issued 7,573,900 common shares in the capital of the Corporation at a price of C$10.25 per Share for gross proceeds of approximately C$77.6 million ($57.3 million). The Offering was completed by way of a prospectus supplement filed on February 8, 2024.

Principal use	C$ (million)	$ (million)
Boumadine exploration and development	50.0	36.9
Zgounder regional and other projects	6.0	4.4
General corporate purposes	21.6	16.0
Total	77.6	57.3

- On February 20, 2024, the Corporation announced it had completed a third Facility drawdown of $25 million with $85 million disbursed to date, leaving an undrawn amount of $15 million.

(3) Non-GAAP Measures, refer to pages 27-28.

Q4-2023 and 2023 Operational and Financial Highlights

	Three-month periods ended December 31,			Years ended December 31,		
Key Performance Metrics	**2023**	**2022**	**Variation**	**2023**	**2022**	**Variation**
Operational						
Ore Mined (tonnes)	176,208	78,415	125%	493,340	276,013	79%
Average Grade Mined (g/t Ag)	201	319	(37%)	213	255	(16%)
Ore Processed (tonnes)	66,449	63,283	5%	281,634	254,976	10%
Average Grade Processed (g/t Ag)	239	364	(34%)	250	265	(6%)
Mill Recovery (%)	86.7%	89.9%	(3.2%)	86.9%	86.6%	0.3%
Silver Ingots Produced (oz)	173,117	327,625	(47%)	740,236	855,351	(13%)
Silver in Concentrate Produced (oz)	276,929	333,996	(17%)	1,230,410	1,025,356	20%
Total Silver Produced (oz)	**450,046**	**661,621**	**(32%)**	**1,970,646**	**1,880,707**	**5%**
Silver Ingots Sold (oz)	206,731	350,943	(41%)	726,395	921,242	(21%)
Silver in Concentrate Sold (oz)	300,904	318,563	(6%)	1,285,949	1,013,912	27%
Total Silver Sales (oz)	**507,635**	**669,506**	**(24%)**	**2,012,344**	**1,935,154**	**4%**
Avg. Net Realized Silver ($/oz)	21.81	19.90	10%	21.29	19.76	8%
Cash Costs per Silver Ounce Sold [4]	13.69	10.94	25%	12.50	12.63	(1%)
Financial						
Revenues	11,070	13,322	(17%)	42,849	38,245	12%
Cost of sales	6,276	8,603	(27%)	27,042	27,961	(3%)
Gross Margin	4,794	4,719	2%	15,807	10,284	54%
Operating Income	1,399	2,914	(52%)	4,931	1,840	168%
Net Income	3,590	1,964	83%	5,332	1,398	281%
Operating Cash Flows	5,677	3,639	56%	21,191	9,649	120%
Cash and Restricted Cash [5]	70,333	41,849	68%	70,333	41,849	68%
Total Assets	333,057	156,804	112%	333,057	156,804	112%
Total Non-Current Financial Liabilities	57,672	-	100%	57,672	-	100%
Shareholders						
Earnings per Share – basic	0.03	0.02	NM	0.05	0.01	NM
Earnings per Share – diluted	0.03	0.02	NM	0.04	0.01	NM

NM *– Not Meaningful*

[4] The Corporation reports non-GAAP measures, including cash costs per silver ounce and available liquidity, which are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and the methods used by the Corporation to calculate such measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 27-28 for a reconciliation of non-GAAP to GAAP measures.
[5] Non-GAAP Measures, consisting of cash and cash equivalents $49,830 and restricted cash of $20,503 (December 31, 2022, balances of $39,360 and $2,489 respectively).

Operating Results

Zgounder Silver Mine Operations

In Q4-2023, the Zgounder operations team focused on stabilizing open-pit production and reached its objective of 500 tpd. The planned annual shutdown was executed on time, and overall production for the quarter reached 450 Koz and 1.97 Moz for the year. Underground production was steady, and mining production for the quarter averaged 1,915 tpd, for a total of 176,208 tonnes of ore for the quarter. In 2023, the Corporation extracted 493,340t of ore, with an average of 1,109 tpd from underground mining and 243 tpd from the open pit. The open-pit operation started in Q3-2023 and reached 1,035 tpd in December.

In Q4-2023, 66,449t of ore were processed, adding over 113kt of ore to inventory, in line with the 2024 commissioning plan. The December mill shutdown lowered total availability to 91.3% for the quarter. The ore that went into the mill had 239 g/t Ag, and the extraction process recovered 86.7% of it for a total production of 450,046 oz in the quarter. For 2023, steady throughput, head grade, recovery and availability of both plants resulted in total silver production of 1,970,646 oz, beating guidance. Overall, 281,634t were processed in 2023 at a grade of 250 g/t Ag, with combined recovery of 86.9% and availability of 93.6%.

As planned, the mine development rate has slowed down. A total of 1,014m of lateral development was completed for the quarter and a total of 4,685m for the year.

Annual training hours at Zgounder more than doubled to total 10,760 hours, reflecting Aya's commitment to solidifying best practices including H&S at Zgounder. The quarter also saw a second phase of training and drills for the mine rescue and emergency response team. By Q1-2024, the team is expected to have a significantly improved response capacity and to be fully operational by H2-2024.

Figure 1: Open-Pit Mining at Zgounder

Capital Projects

Capital projects in Q4-2023 were primarily related to the mine expansion and the new plant. Underground work included horizontal development, mechanical workshop, and progress on electrical and ventilation services. At surface, the new tailings facility and all water storage facilities were completed. By the end of the year, all surface infrastructures were near-complete except for the surface electrical distribution and pumping stations for tailings and water recovery.

Structural erection advanced on the new plant with most equipment positioned on their civil structures. Meanwhile, the December plant shutdown allowed improvements to be made to the current flotation plant crushing circuit, to deliver higher throughput and better performance for 2024.

Development & Exploration

Zgounder Exploration

In Q4-2023, the Corporation drilled 8,686m of DDH on near-mine permits (definition and exploration drilling) with the aim of defining at-depth and lateral mineralization. Initial results from the at-depth program outlined significant down-plunge extensions of the deposit with thick high-grade intercepts. Surface holes ZG-23-25 and ZG-SF-23-037 intersected 1,075 g/t Ag over 7.5m and 1,356 g/t Ag over 4.0m, respectively, confirming mineralization at depth at the granite contact outside of the current resource boundary. Four underground rigs were mobilized with the aim of expanding mineral resources at depth.

The at-depth drill program continued to validate the high-grade nature of Zgounder mineralization with holes ZG-23-54 returning 1,846 g/t Ag over 7.0m and DZG-SF-23-292 returning 2,430 g/t Ag over 4.5m, including 4,174 g/t Ag over 2.5m.

2023

A total of 17,752m were drilled in the year. In H1-2023, drilling focused on targets east and south of Zgounder. Following completion of underground development of the 1,925m and 1,950m levels, the at-depth drill program was launched later than expected in the fourth quarter. This is now expected to be completed in Q2-2024.

Zgounder Regional

In Q4-2023, a stream sediment survey and grab sampling campaign were launched at Tourchkal. The program is designed to tighten the sampling grid carried out earlier in 2023 in the Tourchkal area that had showed silver samples and stream anomalies. A total of 395m of DDH were drilled on Zgounder Regional permits in Q4-2023, with 90m conducted in the Tourchkal Area and the remaining meterage on the Zgounder Est target.

2023

In H1-2023, 8,462m of DDH were completed on the Zgounder Regional permits to follow up on 2022 results and test new targets. Preliminary results from the drilling program, although anomalous, confirmed the potential for discovery of satellite deposits for the Zgounder Mine.

As a result, the 2023 Zgounder Regional campaign changed direction to explore the possible extension of the Zgounder deposit east of the granophyre; to investigate the southern contact of the rhyolite (see Figure 2); and to examine a new target in the Tourchkal area. By the end of the year, 10,900m of drilling had been completed, with 920m on Tourchkal.

During the year, the Corporation continued to consolidate its land position at Zgounder, boosting its total package by 20% to 354 km². Four new exploration permits were acquired as part of a reallocation of exploration permits by the Moroccan Directorate of Mines.

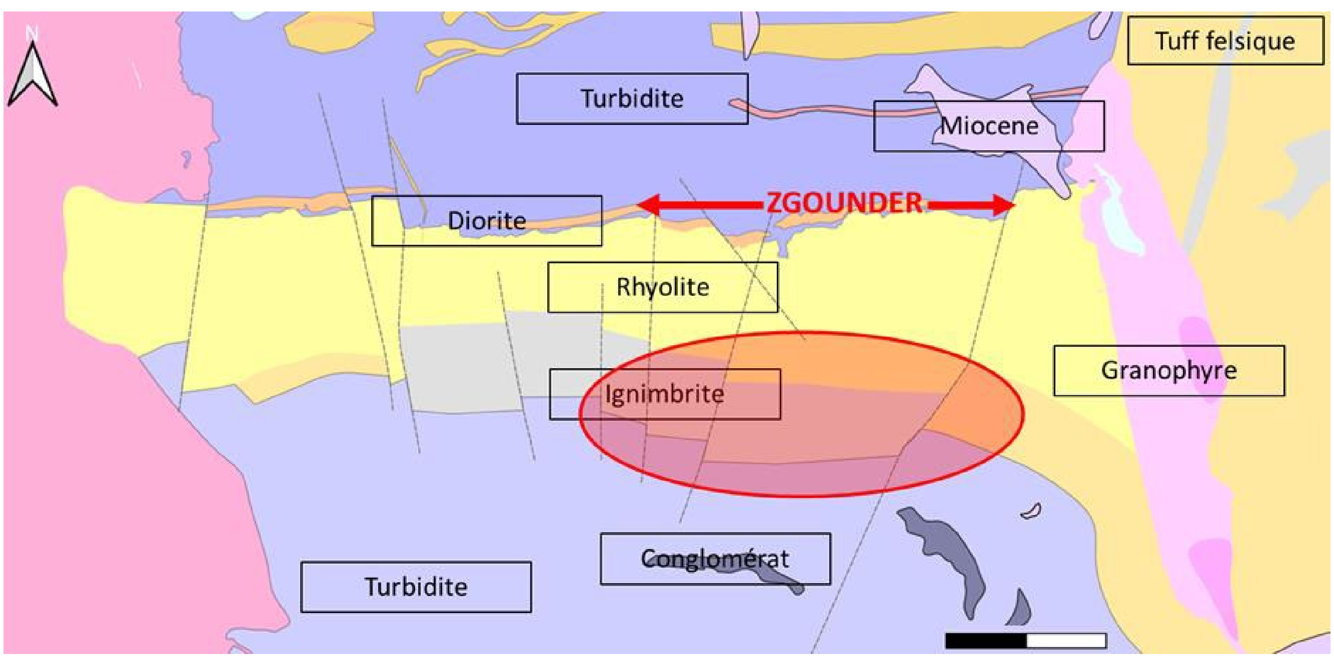


Figure 2: Southern Contact under Rhyolite Targeted by Zgounder Regional Drill program

Zgounder Construction

The Corporation is in construction to expand the Zgounder Silver Mine from 700 tpd to 2,700 tpd processing capacity. At year-end 2023, construction of the plant and surface infrastructure continued to track budget. Overall, the expansion project was 80% complete, compared to 60% at the end of the third quarter.

- Mine expansion is fully funded and on track for commissioning in Q2-2024.
- Tailings and water storage facilities are complete.
- Processing plant approximately 71% completed.
- Electrical infrastructure is 76% completed.
- Underground development of 8,452m completed, 90% of the initial lateral development program.
- Approximately 80% of vertical development completed.
- Production from the open pit is ongoing with 87,475 tonnes stockpiled.
- $110 million has been incurred and an additional $38 million has been committed.
- On target to complete expansion within the $159 million capital cost estimate.

Mine Development

In 2023, the underground mine access infrastructure was successfully advanced in accordance with the mine plan.

The underground access ramp has advanced several kilometers from the portal; and now connects all the historical levels of the mine with the newly developed levels (1,950m and 1,925m levels). The underground contractors have been advancing both lateral and vertical development at rates in line with the projected plan. Ground conditions are as expected and water inflow, to date, has been negligible.

Construction of both surface and underground mine infrastructures, including workshops, warehouses, backfill station, and the electrical sub-station remain on schedule.

Mining production continues to ramp up as planned, averaging 1,915t per day in Q4-2023. A total of 250,114t had been stockpiled at year-end 2023 for commissioning of the new mill.

Processing Plant

Plant civil and concrete works are 95% complete with only minor small civil work remaining.

The cyanidation tanks have been erected. The assembly of structural steel commenced in October and is progressing well. The steel structure for the silver refinery has been fully assembled, and installation of the Merrill Crowe equipment is ongoing. Assembly of the conveyors is ongoing, and most equipment has been placed in position. The ball mill was lifted onto its pedestals in December, and installation is ongoing under the manufacturer’s supervision.

The Engineering, Procurement, and Construction (”EPC”) (contractor has completed all necessary procurement, and all outstanding items are in transit. The last mechanical equipment and electrical and piping material will be delivered to site in Q1-2024, and installation will be completed by Q2-2024.

Infrastructure

Construction of the new assay laboratory is 54% completed, and its commissioning is planned in Q2-2024. Construction of the electrical power substation, pylons and 60-kV powerline is advancing towards operationalization by the end of Q1-2024.

The region’s yearly rainfall has begun. Water captured by the mine’s dams is being pumped to the recently completed water storage basins for commissioning. Over 300,000m³ of water storage capacity has been built, sufficient to sustain operations during the dry season.

Operational Readiness

Aya's operations team continues to advance preparations to begin commissioning in Q2-2024. The recruitment of senior technical and operational personnel has commenced.

Following intensive training sessions, Zgounder's mine rescue team is expected to be fully operational in H2-2024. Furthermore, Aya's environmental and community teams are maintaining Aya's commitments to local authorities, communities, and external stakeholders through increased engagement and transparent reporting.

Financing Update

At year-end 2023, the Corporation had completed two drawdowns on the Facility; $35 million and $25 million. In February 2024, an additional $25 million was drawn leaving $15 million undrawn. Proceeds from drawdowns are used to further advance the Zgounder Mine expansion.

At year-end 2023, the Corporation had successfully completed milestone 1, disclosure of a TCFD report, resulting in a 25% reduction in the interest rate of the CTF tranche of the Facility.

At the end of Q4-2023, $110 million had been incurred across all capital cost categories and an additional $38 million has been committed. The Corporation is confident of completing the project within the original budget of $159 million.

Figure 3: Ongoing Installation of the Ball Mill

The figure below presents the planned timeline for the project expansion.

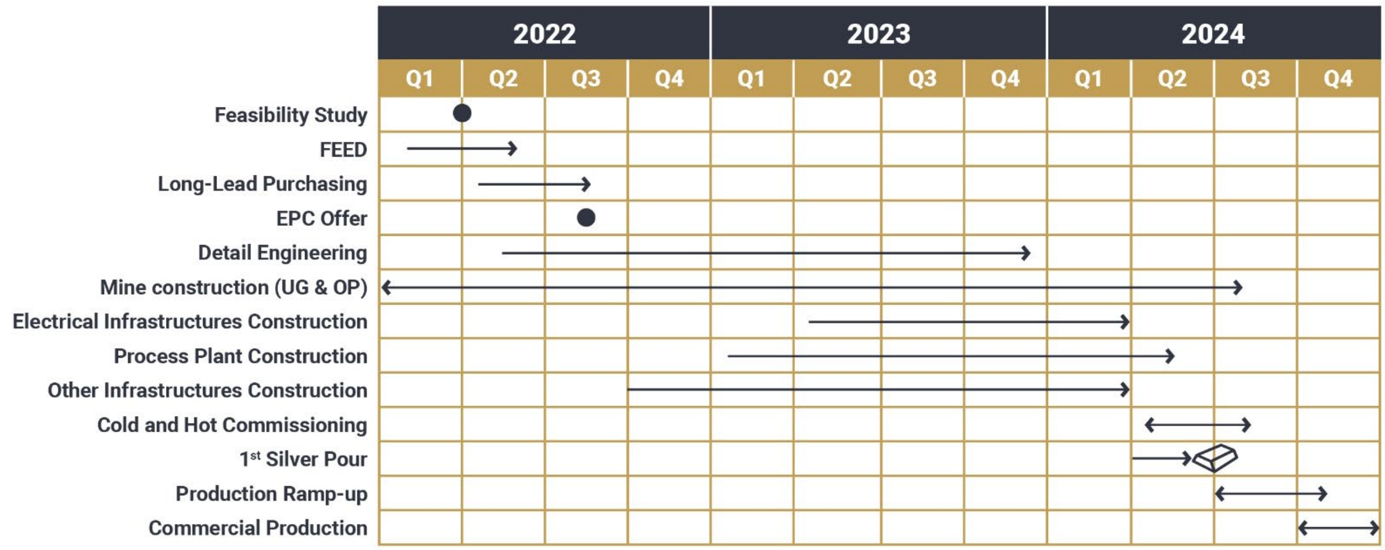


Figure 4: Zgounder Expansion Project Execution Simplified Gantt Chart

The table below presents the construction progress by main project area as at December 2023:

Area	Progress
Process Plant	71%
Underground and Open-Pit Mines	87%
Tailings	97%
Water Management	98%
Electrical Infrastructure	76%
On-site Infrastructure	60%

Boumadine Development

The fourth quarter saw the Corporation mobilize six drill rigs and drill 21,756m DDH at Boumadine to conduct infill, explore along strike and test new targets identified by the mapping program. Results confirmed high-grade mineralized zones in the central and northern portions of the Main Trend with BOU-DD23-180 intersecting 1,039 g/t AgEq over 23.5m (6.41 g/t Au, 116 g/t Ag, 4.7% Zn, 0.6% Pb and 0.4% Cu).

The Corporation acquired four new permits, three mining and one exploration permit, in the vicinity of the Boumadine Main Trend. with the aim of acquiring additional upside potential. A high-resolution airborne geophysics survey is planned over these new permits in Q1-2024 with the objective of expanding the Corporation's understanding of the geological structures and controls of the area.

2023

The initial 2023 program of 36,000m was successfully completed in July, extending the strike length from 2.5 km to 3.8 km. Results identified a new, high-grade sulphide stockwork zone that expanded the South Zone. The mapping and prospecting programs enabled discovery of a new at-surface mineralized structure in the northwest.

In July, the Boumadine drill program was more than doubled to total 74,295m in 197 DDH to carry out infill and exploration drilling along strike including on new targets. At year-end, drilling had extended the strike length of the Main Zone to over 4.2 km. Results continued to confirm the continuity and extension of the mineralized footprint of the Boumadine Main Zone, which remains open in all directions. Furthermore, holes BOU-DD23-223 and BOU-DD23-218 confirmed high-grade mineralization and continuity to the south and north of the Main Trend, respectively.

An NI-43-101 mineral resource estimate for Boumadine is expected in H1-2024 that will incorporate drilling data from 2018 through 2023.

The Corporation also announced recoveries of 89% silver and 85% gold from preliminary metallurgical test work at Boumadine. A two-step metallurgical process is envisaged involving a flotation stage followed by an oxidation and leaching stage. The Corporation plans to refine the initial metallurgy results further as its understanding of the deposit evolves.

In 2023, the Corporation continued to shore up its Boumadine land holdings through the acquisition of five permits. Its Boumadine land package increased by 209% to total 97.8 km² by year-end 2023.

Figure 5: Drill Rig at Boumadine

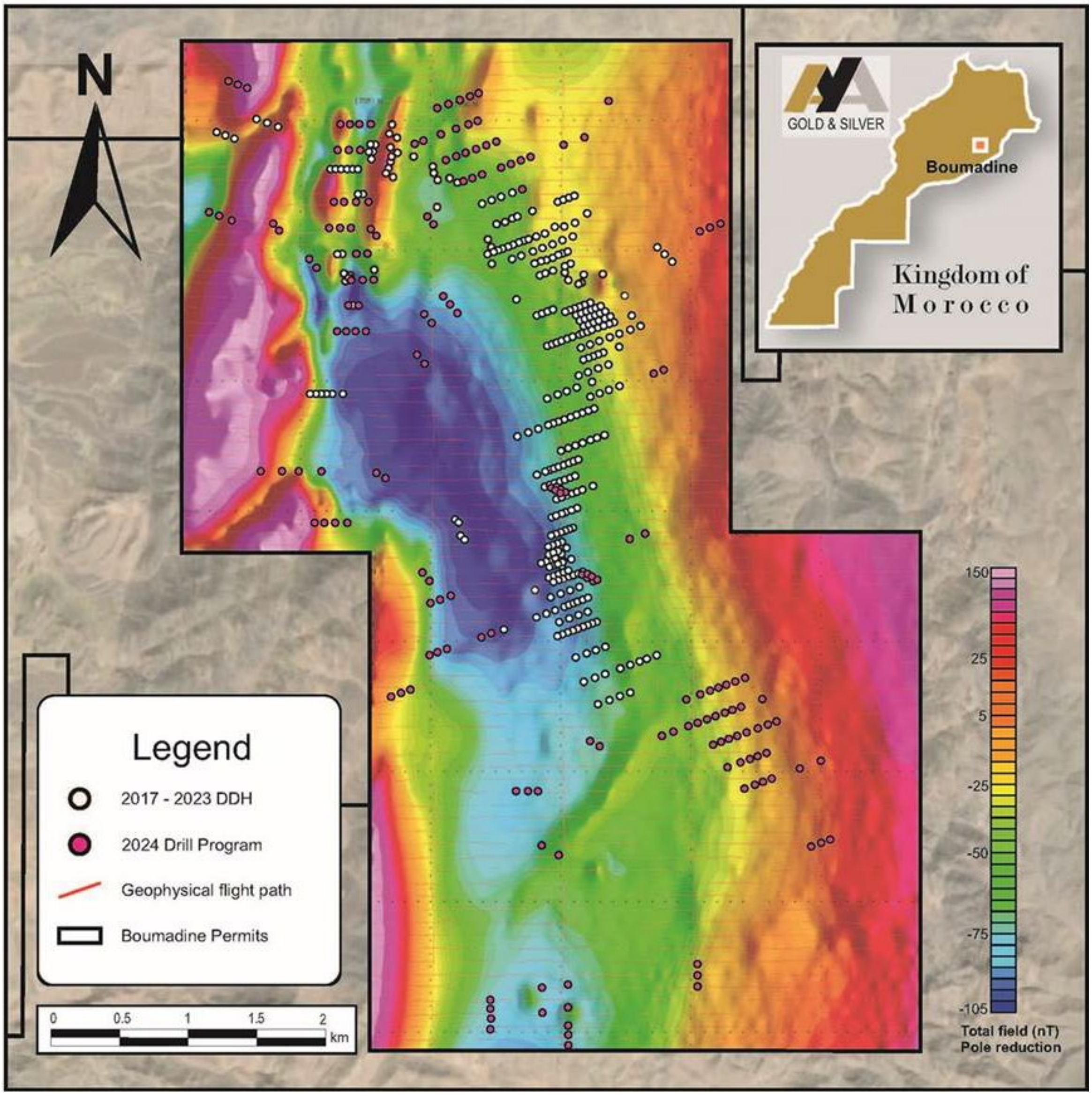


Figure 6: Surface Plan of Boumadine North (Main Trend) with 2023 DDH Results

Tijirit Development

Following the acquisition of Algold in June 2021, the Corporation launched a feasibility study ("Tijirit FS") to assess the potential for developing Tijirit. Several globally recognized engineering consultants including Lycopodium Minerals Canada, SGS Canada Inc., DRA Americas Inc., and GCIM were mandated to complete the Tijirit FS.

The Tijirit FS, which focuses on the Eleonore and Eleonore East deposits, includes a base case scenario of a 1,000 tpd processing plant that can be expanded to 2,000 tpd. In Q3-2023, results from the 25,000 DDH and RC drilling program were released, confirming high-grade gold nuggety mineralization in both the Eleonore and Eleonore East deposits. The 25,000m drill program, which is now complete, totaled 169 RC holes for 22,067m and 13 DDH for a total of 3,109m.

In Q4-2023, an internal technical report was compiled and presented to the Mauritanian government. The external Tijirit FS incorporating an updated NI-43-101 mineral resource estimate is still pending.

Tirzzit Exploration

Following its acquisition in Q2-2023, the Corporation reviewed historical data for the Tirzzit historical copper mine and launched a fieldwork program. Fieldwork commenced in late Q4-2023, consisting of a stream sediment program and grab sampling with the objective of identifying drill targets. A drill program is expected to commence in H2-2024.

Sustainability

Q4-2023 Sustainability

During Q4-2023, the Corporation continued to implement its Environment and Social Management System ("ESMS"), and achieved the following milestones:

- Published our first Climate Action Report and set target to reduce our overall greenhouse gas ("GHG") emissions by 88% in 2025.
- Conducted a second biodiversity inventory to account for seasonal variation.
- Provided 4,006 hours of health and safety training:
  - Phase 2 of mine rescue training including underground mine simulations
- Continued community engagement:
  - Education – Donated school supplies and finalized online school support for local middle-school children.
  - Health – Conducted urology mobile clinic in 2 villages.
  - Water access – Sunk one water well and launched a second.
  - Livelihood projects – Trained female saffron producer co-operatives and held focus groups with farmer co-operatives.
  - Stakeholder engagement plan – Held workshops with communal councils and cooperatives to discuss revised plan.

2023 Sustainability

Sustainability and maintaining the highest standards of responsible mining is a key part of Aya's business strategy and an essential part of maintaining our social license to operate.

The Corporation issued its annual Sustainability and ESG Reports in mid-year 2023, highlighting progress and achievements in 2022 across a range of ESG practices. During the year, the Corporation continued to implement its ESMS that is aligned with EBRD performance requirements. ESG policies and practices are being embedded across the business, and the Corporation's ESG Report was aligned with the Global Reporting Initiative ("GRI") and Sustainability Accounting Standards Board ("SASB") frameworks.

In 2022, the Corporation mandated outside counsel to review and assist the Corporation in enhancing its corporate governance for effective climate action. The assignment aimed to support the Corporation in aligning its operations with the goals of the Paris Agreement. Through 2023, the Corporation implemented the resulting climate change roadmap to bridge the gap between its practices and those recommended by the TCFD, supplemented by those of the EBRD Climate Corporate Governance framework.

At year-end, the Corporation released its inaugural Climate Action Report in accordance with the TCFD recommendations. The Climate Action Report describes Aya's goal of reducing its Scopes 1 and 2 GHG emissions by 88% in absolute terms by 2025; explains its strategy to lower its carbon footprint; its measures to deal with climate change challenges and benefits; and Zgounder's ability to withstand climate effects.

Environment

The Corporation is in the early stages of its climate change journey, with strong progress made over the past three years. The Corporation has launched and is improving its reporting by developing and implementing its climate change roadmap.

The year 2023 saw the Corporation make significant progress towards decarbonizing its expanded Zgounder operations. In February 2023 the Corporation signed a 20-year PPA with EEM under which Zgounder expanded operations will be powered by renewable-source electricity via the national grid.

The Corporation's environment department continues to work closely with the construction and operational readiness teams as the Zgounder Mine expansion nears completion. Throughout the year, the Corporation continued implementing the Global Industry Standard on Tailings Management and monitoring local water and air emissions quality through third-party providers. Furthermore, the Corporation updated the social baseline study and social impact assessment for Zgounder. These informed a new biodiversity management plan which resulted in the launch of biodiversity monitoring in the year.

Health and Safety

Protecting the health and safety of its employees is the Corporation's number one priority. Through its programs, the Corporation continuously promotes a safe work environment at its operating and development sites. The number of training hours more than doubled in 2023 on a year-on-year basis, reflecting the Corporation's focus on safety. There was a significant decrease in the overall frequency and severity of accidents at Zgounder operations in 2023.

In mid-year 2023, Zgounder took delivery of a mine rescue vehicle. This, and the state-of-the-art equipment already received, were used to train the response team in emergency readiness and carry out a range of rescue scenarios simulating real-life situations, including ground movement, equipment fires, and evacuating trapped miners. The team is expected to have a greatly improved response in Q1-2024 and to be fully operational by year end.

Community Engagement

Shared values between the Zgounder Silver Mine and its host communities create a positive legacy that will last beyond the life of the mine. The Corporation partners with local authorities in administering a social development program in the areas of education, health, water access and livelihood projects.

In 2023, the second full calendar year of community activities, the Corporation's priority was to build on the EBRD performance standards to improve the interactions between the Zgounder Silver Mine and its host communities.

Community activities expanded in the year through the launch of livelihood projects designed to empower communities through sustainable business practices. The livelihood program included the launch of an experimental community saffron farm that will serve as a training center for farmers in the region. Furthermore, the Corporation initiated a project to help co-operatives reach their full potential by reinforcing governance best practices and by offering as-needed training.

The Corporation continued supporting regional health authorities by holding three mobile health clinics in addition to continuing the mine doctor's weekly community clinic. Aya also provided medical and logistical support to survivors of the Al Haouz earthquake in the Taliouine area. Local education capacity was strengthened during the period through donation of school supplies, organization of literacy classes and online support for local schoolchildren. A first water access program was rolled out to expand water infrastructure in 7 villages.

The year also saw the Corporation implement a revised Stakeholder Engagement Plan ("SEP") and Community Grievance Management System that are aligned with the IFC and EBRD best practices. With the help of local experts in community engagement, workshops with local stakeholders were held with the aim of integrating their input into the SEP before finalization, thus building awareness and capacity.

Governance

Aya's corporate governance turnaround has been central to the Corporation's overall success to date. In 2023, Aya embarked on the next step in its journey: solidifying its governance practices and moving beyond compliance.

In line with its commitment to institute highest standards of corporate governance, the Board of Directors of Aya (the "Board") convened that if elected at the 2023 Annual General Meeting ("AGM"), director Marc Nolet de Brauwere would step down and Annie Torkia Lagacé would be appointed as director to fill the vacancy. Subsequently, at the AGM held on June 17, 2023, Ms. Torkia Lagacé was appointed as independent director. Her appointment immediately increased female Board representation to over 37%, reflecting the Corporation's commitment to best governance practices and exceeding proxy advisory firms' guidelines. Furthermore, following a three-year cool-off period and the recommendations of the Nomination & Compensation Committee, two members of the Board who had been briefly involved in the Corporation's 2020 turnaround were now deemed independent in 2023, boosting Board independence to 87% at year-end.

In 2023, the Corporation augmented measurement and disclosure beyond its annual ESG and Sustainability reports by publishing two inaugural reports: a TCFD-compliant report and a first voluntary report of its sustainability performance to the 2023 S&P CSA. In the latter, the Corporation scored above average among metals and mining companies and will build on its ESG score when implementing its 2024 activities.

To further enshrine Aya's corporate values, the Board established eight new corporate policies including a Suppliers' Code of Conduct, a Human Rights Policy, a Diversity, Equity and Inclusion directive, and a Tailings Management Policy.

2023 Guidance Review

This section provides a comparison between results and guidance provided on February 9, 2023.

Zgounder	2023 Actuals	2023 Guidance
Silver production (M oz)	1.97	1.65 – 1.80
Silver cash cost ($/oz) (6)	12.50	14.40
Recovery (%)	86.9	86.0
Tonnes processed	281,634	245,000
Average grade processed (g/t Ag)	250	264
Exploration budget ($ million)	23.7	14.3

On August 17, 2023, the Corporation announced an increase of its 2023 exploration program at its Moroccan properties including the Boumadine polymetallic project, the Zgounder silver deposit, Zgounder Regional properties and the recently acquired Tirzzit copper-silver property.

The cash costs per silver ounce was below 2023 guidance at $12.50 per oz compared to guidance of $14.40 per oz (7) and the 2023 production came in higher than guidance at 1.97 M oz compared to guidance of 1.65 M oz – 1.8 M oz.

2024 Guidance and Outlook

This section provides management's production outlook and cost guidance for 2024. These are forward-looking estimates and are subject to the cautionary note regarding the risks associated with relying on forward-looking statements at the end of this MD&A. Actual results may vary based on internal and/or external factors.

The Corporation expects 2024 production from Zgounder to range between 2.6 and 3.2 million silver ounces at a cash cost bracket of between $13.00 - $14.50/oz. This increase in cost is associated to lower grade being passed through the mills in 2024, additional development work needed in 2024, and additional costs associated with the start-up of the expansion. The following foreign currency assumptions were used in the guidance: USD/CAD 1.39; and USD/MAD 10.50.

The Corporation's primary focus for 2024 is completing the Zgounder expansion to commercial production.

The table below provides the Corporation's guidance in 2024:

Zgounder	2024 Guidance
Silver production (M oz Ag)	2.6 – 3.2
Silver cash cost ($/oz) (8)	13.00 – 14.50
Recovery (%)	85 – 86
Tonnes processed ('000 t)	425 – 485
Average grade processed (g/t Ag)	215 – 240
Exploration & development ($ million)	36

The Corporation may revise guidance during the year to reflect changes in expected results.

(6) Non-GAAP Measures, refer to pages 27-28.
(7) Non-GAAP Measures, refer to pages 27-28.
(8) Non-GAAP Measures, refer to pages 27-28.

2024 Exploration Program

An exploration budget of $36 million has been set for 2024, focusing on Boumadine (120,000m), Zgounder (15,000m), and Zgounder Regional (10,000m).

At Boumadine, 50% of the drilling will focus along the Main Trend to continue extending the known mineralization trend along strike and at depth and to infill known areas as the project moves towards a preliminary economic assessment. The remaining 60,000m of drilling is greenfield exploration designed to test geological hypotheses and drill targets generated from the past two years of work. A large airborne geophysics campaign has begun at Boumadine which covers a large area of the Corporation's permits and immediately around its permits.

At Zgounder, an additional 15,000m is planned to follow up on underground targets generated from the 2023 program. An additional 10,000m will be drilled on targets within the Zgounder Regional permits with the objective of finding similar mineralization to Zgounder.

A small drill work program on the Amizmiz gold property is planned in the middle of the year.

A mineral resource estimate for Boumadine is expected in H1-2024 which will incorporate drilling data from 2018 through 2023.

2024 Sustainability Outlook

In 2024, the Corporation maintains its focus on consolidating its management processes with the goal of minimizing the environmental and social impacts from current and expanded operations, while continuously enhancing its safety culture. The following activities will be prioritized:

- Further embed a zero-incident health and safety culture and operationalize the mine response teams.
- Connect Zgounder to the renewable-energy power line to set the table for achieving Zgounder's 2025 88% GHG reduction target.
- Enhance transparency through one streamlined, TCFD-, GRI- and IFRS-2-compliant report.
- Improve the waste management plan.
- Increase data gathering and environmental monitoring at Zgounder.
- Collaborate with local authorities to enhance local water access, strengthen livelihood projects particularly for women, and build community resiliency:
    - Health – Mobile and weekly health clinics in partnership with Moroccan institutions and community organizations.
    - Education – Reinforce local capacity through school supplies, online support for middle-school children, and an adult literacy program.
    - Stakeholder engagement – Deepen communication and awareness of the revised Stakeholder Engagement Plan and grievance mechanism.

Overview of Financial Performance

For the three and twelve-month periods ended December 31, 2023 and 2022 (in thousands of dollars):

	Three-month periods ended December 31,			Year ended December 31,			
	2023	2022	Variance	2023	2022	Variance	
Revenues	**11,070**	**13,322**	**(17%)**	**42,849**	**38,245**	**12%**	(1)
Cost of sales	6,276	8,603	(27%)	27,042	27,961	(3%)	(2)
Gross Margin	**4,794**	**4,719**	**2%**	**15,807**	**10,284**	**54%**	(3)
General and administrative expenses	2,569	1,105	132%	7,675	5,192	48%	(4)
Share-based payments	826	700	18%	3,201	3,252	(2%)	(5)
Operating earnings	**1,399**	**2,914**	**(52%)**	**4,931**	**1,840**	**168%**	
Net finance income	2,885	1,111	160%	4,285	2,761	55%	(6)
Other expenses	-	(20)	(100%)	-	(20)	(100%)	
Net income before income taxes	**4,284**	**4,005**	**7%**	**9,216**	**4,581**	**101%**	
Income tax expense	694	2,041	(66%)	3,884	3,183	22%	(7)
Net income for the period	**3,590**	**1,964**	**83%**	**5,332**	**1,398**	**281%**	(8)
Income per share (diluted)	0.03	0.02	NM	0.04	0.01	NM	(8)

NM *– Not Meaningful*

Three-month period ended December 31, 2023, compared to the three-month period ended December 31, 2022

1. **Revenues** totaled $11,070 in Q4-2023 compared to $13,322 in Q4-2022, driven by a 24% reduction in ounces sold that went from 669,506 oz in Q4-2022 to 507,635 oz in Q4-2023. This decrease is mainly explained by the average processed grade that decreased by 34% from 364 g/t in Q4-2022 to 239 g/t in Q4-2023.
2. **Cost of sales** in Q4-2023 decreased by 27% compared to Q4-2022, mainly driven by a decrease in depreciation expense since the estimation of useful lives of certain assets has been increased and a greater portion of depreciation went to the ore stockpile in 2023 given the increase in the volume of ore on the stockpile.
3. **Gross margin** remained at a comparable level compared to Q4-2022 since the decreased revenue and decreased costs offset one another.
4. **General and administrative expenses** were 132% higher in Q4-2023 compared with Q4-2022. The Corporation now has multiple projects in Morocco and one in Mauritania and, as such, G&A expenses increased to manage these projects. Furthermore, Tijirit has moved from a technical execution phase to a more administrative phase which requires more G&A related costs to manage its.
5. **Share-based payments** are the cost of restricted share units and deferred share units over the vesting period that the Corporation awarded to certain employees, directors, and officers, resulting in a non-cash expense of $826 in Q4-2023. The 18% increase in Q4-2023 compared to Q4-2022 is due to more grants as a result of larger workforce in 2023.
6. **Net finance income** was 160% higher in Q4-2023 than in Q4-2022 due to a foreign exchange gain of $2,257 in Q4-2023 compared to a foreign exchange gain of $445 in Q4-2022. The gain in Q4-2022 is mostly caused by an appreciation of 4% of the MAD compared to the USD in Morocco and has been partially offset by an appreciation of 2% of the CAD compared to the USD. The increase is also explained by the interest income in Q4-2023, which amounted to $583 compared to $386 in Q4-2022, due to a higher cash balance and a higher interest rate on accounts.
7. **Income tax expense** in Q4-2023 was 66% lower than in Q4-2022 due to the recognition of a deferred tax asset of $1,765. It was partially offset by the increase in net taxable income at our Moroccan operating entity and an increase in the tax rate of 3.5% in Morocco in 2023.
8. **Net income** of $3,590 (diluted EPS of $0.03) was recorded in Q4-2023 compared to net income of $1,964 (diluted EPS of $0.02) in Q4-2022.

Year ended December 31, 2023, compared to the year ended December 31, 2022

1. **Revenues** totaled $42,849 in 2023 compared to $38,245 in 2022, representing a 12% increase in 2023. The increase is due to the volume of silver sold which increased by 4% from 1,935,154 oz in 2022 to 2,012,344 oz in 2023 and to an increase in the average net realized silver price per oz of $21.29/oz ($19.76/oz in YTD-2022).

2. **Cost of sales** was 3% lower in 2023 than in 2022.The main reason for the decrease in the cost of sales is attributable to a decrease of 20% in depreciation, which amounted to $4,884 in YTD-2023 compared to $6,135 in YTD-2022 as estimation of useful lives has been increased.

3. **Gross margin** was 54% higher in YTD-2023 than in YTD-2022. It was positively affected by the increase in the volume of sales, the average net realized silver price per oz and the lower cash costs per silver ounces sold [(9)].

4. **General and administrative expenses** were up by 48% in 2023 compared to 2022. This increase is attributed in large part to the increase in personnel as the Corporation continues to build out operations, exploration and development teams. The Corporation now has multiple projects in Morocco and one in Mauritania and, as such, G&A expenses increase to manage these projects. Furthermore, Tijirit has moved from a technical execution phase to a more administrative phase, which requires more G&A related costs to manage its affairs.

5. **Share-based payments** are the cost of options, restricted share units and deferred share units over the vesting period that the Corporation awarded to certain employees, directors, and officers, resulting in an additional non-cash expense of $3,201 in 2023 compared to $3,252 in 2022, representing a decrease of 2%.

6. **Net finance income** in 2023 was 55% higher than in 2022 mainly due to an increase in interest income in 2023, which amounted to $2,491 compared to $828 in YTD-2022, due to a higher cash balance and a higher interest rate on accounts.

7. **Income tax expense** in 2023 was 22% higher than in 2022 due to the recognition of a deferred tax asset of $1,765 and it was partially offset by the increase in net taxable income at our Moroccan operating entity and an increase in the tax rate of 3.5% in Morocco in 2023.

8. **As a result** of the foregoing, a net income of $3,567 (diluted EPS of $0.04) was recorded in 2023 compared to a net income of $1,398 (diluted EPS of $0.01) in 2022

Summary of Quarterly Results

Selected quarterly information

	Revenues	Net Income (loss)	Net Income (loss) per share (diluted)
Quarter ended	$	$	$
December 31, 2023	11,070	3,590	0.03
September 30, 2023	11,714	1,206	0.01
June 30, 2023	9,621	(525)	(0.00)
March 31, 2023	10,444	1,061	0.01
December 31, 2022	13,322	1,963	0.02
September 30, 2022	7,187	672	0.01
June 30, 2022	8,574	725	0.01
March 31, 2022	9,163	(1,962)	(0.02)

The net income in Q4-2023 increased by 106% from Q3-2023 due to a net finance expense of $1,385 in Q3-2023 compared to a net finance income of $2,885 in Q4-2023 and the recognition of a deferred tax asset of $1,765 in Q4-2023 compared to ($138) in Q4-2022. The increase has been partially offset by the increase in cash cost per silver ounce sold [(10)] which went from $10.73 in Q3-2023 to $13.69 in Q4-2023.

Revenues in Q3-2023 increased by 24% from Q2-2023 mainly due to the increase in sales volume in Q3-2023 to 543,983 oz compared with 439,080 oz in Q2-2023, resulting in a net profit of $1,206 compared to a net loss of $(525) in Q2-2023.

Revenues in Q2-2023 decreased by 8% from Q1-2023 mainly due to the decrease in sales volume in Q2-2023 to 452,523 oz compared

(9) Non-GAAP Measures, refer to pages 27-28.
(10) Non-GAAP Measures, refer to pages 27-28.

with 508,204 oz in Q1-2023, resulting in a net loss of $525 compared to a net profit of $1,061 in Q1-2023.

Revenues in Q1-2023 decreased by 22% from Q4-2022 due to a 24% decrease in the sales volume to total 508,204 oz sold in Q1-2023, compared to 669,506 oz sold in Q4-2022. The net profit was negatively affected by the cash cost [11] per silver ounce sold that went from $10.94 in Q4-2022 to $14.56 in Q1-2023. This increase in cash cost was partially offset by the average net realized silver price per ounce that went from $19.90 in Q4-2022 to $20.55 in Q1-2023, resulting in a net profit of $1,060 in Q1-2023 compared to $1,963 in Q4-2022.

Revenues in Q4-2022 increased by 85% from Q3-2022 due to a 56% increase in the volume of sales to total 669,506 oz sold in Q4-2022, compared to 419,760 oz sold in Q3-2022.

Revenues in Q3-2022 decreased 16% compared to Q2-2022 due to the average net realized price of silver sold which decreased from $19.53 in Q2-2022 to $17.12 in Q3-2022 and the decrease in silver ounces sold that went from 439,080 oz in Q2-2022 to 419,760 oz in 3-2022.

In Q1-2022, the loss of $(1,962) was mainly due to the head grade of 192 g/t Ag achieved in addition to significantly higher consumables and supplies due to the lower grade of ore mined and processed. The Corporation completed more definition drilling in Q1-2022 to define more production faces to support production for the remainder of the year.

Liquidity and Capital Resources

As at December 31, 2023, the Corporation had working capital of $33,704 compared to $35,574 as at December 31, 2022 [12] including cash and cash equivalents of $49,830 ($39,360 on December 31, 2022). The Corporation has sufficient liquidity to finance its operations for at least the next 12 months. Although the Corporation generated $21,191 of operating cash flow in 2023, principally from the Zgounder operation, the Corporation's principal sources of financing in the past have been equity and debt financing. The success of equity and debt financing is dependent on capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration, development, expansion activities and be able to support its ongoing operations, the Corporation may be required to raise further equity financing or debt in the capital markets (see section Recent Developments).

The following table summarizes the Corporation's cash flow activity during the three- and twelve-month periods ended December 31, 2023 and 2022:

	Three-month periods ended-December 31,		Year ended-December 31,	
Cash Flow	**2023**	**2022**	**2023**	**2022**
Operating cash flows before working capital	(648)	2,741	9,689	12,072
Change in non-cash operating working capital	6,325	898	11,502	(2,423)
Net cash flow from operating activities	5,677	3,639	21,191	9,649
Net cash flow used in investing activities	(32,527)	(20,811)	(145,436)	(48,459)
Net cash flow from financing activities	24,516	178	133,352	440
Effect of exchange rate changes on cash in foreign currencies	1,554	771	1,363	(3,936)
Net increase (decrease) in cash and cash equivalents	**(780)**	**(16,223)**	**10,470**	**(42,306)**
Cash and cash equivalents, beginning of the year	50,610	55,583	39,360	81,666
Cash and cash equivalents, end of period	**49,830**	**39,360**	**49,830**	**39,360**

Operating

During the three-month period ended December 31, 2023, the Corporation generated operating cash flows of ($648) before working capital items, down $3,389, compared to $2,741 for the same period last year. The decrease was driven by higher general and administrative charges of $2,569 in Q4-2023 compared to $1,105 in Q4-2022 while net income came in at $3,590 compared to $1,964 in Q4-2022. The operating cash flow in Q4-2023 was positively impacted by an increase in working capital items of $6,325 mainly due to an increase in accounts payable and accrued liabilities, income tax payable and a reduction in sales tax receivable and was partially offset by an increase in inventories and prepaid expenses and security deposits.

(11) Non-GAAP Measures, refer to pages 27-28 .

(12) Non-GAAP Measures, consisting of current assets of $80,399 less current liabilities of $46,695 (December 31, 2022, current assets of $59,815 less current liabilities of $24,241).

During the year ended December 31, 2023, the Corporation's operating cash flow before working capital items totaled $9,689, compared to $12,072 for the same prior-year period. The decrease was driven by higher general and administrative charges of $7,675 in 2023 compared to $5,192 in 2022 while net income came in at $5,332 compared to $1,398 in 2022. The operating cash flow in 2023 was favorably impacted by an increase in working capital items of $11,502 mainly due to an increase in accounts payable and accrued liabilities, income tax payable and a reduction in accounts receivable and was partially offset by an increase in inventories, prepaid expenses and security deposits and sales tax receivable.

Investing

During the three-month period ended December 31, 2023, the Corporation used $32,527 in investing activities compared to $20,811 in Q4-2022. The increase is related to the acquisition of property plant and equipment for $30,741 in Q4-2023 that are primarily related to the Zgounder expansion, compared to $10,463 in Q4-2022 since the expansion was at an early-stage last year. Exploration and evaluation assets mostly for the Boumadine project were $7,106 in Q4-2023 compared to $5,355 in Q4-2022.

During the year ended December 31, 2023, the Corporation used $145,435 in investing activities compared to $48,459 in the same prior-year period. The increase is related to the acquisition of property plant and equipment for $97,682 and $7,556 in deposits to supplier for capital expenditures that are both vastly related to the Zgounder expansion compared to $33,514 in acquisition of property plant and equipment in 2022. Investment of $21,344 was made in exploration and evaluation assets for the various exploration assets of the Corporation compared to $9,801 in 2022. In 2023, the Corporation transferred $18,000 to a cost overrun account to cover any potential cost overrun at the Zgounder expansion project, in line with the terms of the Facility with the EBRD. It's presented as restricted cash in the FS.

Financing

During the three-month period ended December 31, 2023 the Corporation drew down $25,000 from the EBRD Facility compared to $nil for the same prior-year period. The proceeds have been solely used for the Zgounder expansion and the Corporation paid $460 in financing costs. Lease liabilities payments between Q4-2023 and Q4-2022 were at a comparable level.

During the year ended December 31, 2023, the Corporation drew down $60,000 from the EBRD Facility compared to $nil for the same prior-year period. The drawdowns have been solely used for the Zgounder expansion and the Corporation paid $4,371 in financing costs in relation to the EBRD Facility.

During the year ended December 31, 2023, warrants and stock options were exercised for proceeds totaling $13,444, compared to $551 for the same period in 2022. Lease liabilities payments between 2023 and 2022 were at a comparable level. In addition, during the year ended December 31, 2023, the Corporation closed an equity financing and issued 11,151,550 common shares of the Corporation at a price of C$8.25 per common share for net proceeds of $64,569.

Use of Proceeds

January 25, 2023 Financing

On January 25, 2023, the Corporation closed a bought deal public financing and issued 11,151,550 common shares of the Corporation at a price of C$8.25 per common share for gross proceeds of C$92 million ($68.8 million), providing $64.6 million in net proceeds. The common shares were issued by way of a prospectus supplement, filed on January 19, 2023 in each Canadian province, to the short form base shelf prospectus dated January 12, 2023 for up to an aggregate initial offering of C$200 million at any time during the 25-month effective period of the prospectus. Below is an update, in tabular form, reflecting the actual use of the funds as of December 31, 2023, compared to the budgeted amounts initially set out in the prospectus:

Principal use	Earmarked usage		Actual usage	
	C$ (million)	$ (million)	C$ (million)	$ (million)
Development & expansion of Zgounder Silver Mine	77	58	77	58
Advancement of other properties	8	6	8	6
General corporate purposes (13)	7	5	7	5
Total	92	69	92	69

(13) Includes $4,054 in share issue costs related to the January 25, 2023 C$92 million financing.

Financing Sources

Financing sources for amounts received during the last 8 quarters				
Date	**Type**	**Financings**	**Gross Amounts ($)**	**General description of the use of proceeds**
Jan 25, 2023	Short Form Prospectus	Common shares	68,765	The net proceeds of the financing after deductions of the financing costs, were used for the expansion of the Zgounder Mine; for advancement of its exploration programs at Zgounder, Zgounder Regional and Boumadine; and for general corporation purposes.
From Oct 15, 2021 to Sept. 2, 2023	Warrants	Common shares	11,325	The net proceeds from the exercise of warrants are being used for the expansion of the Zgounder Mine, for advancement of other properties and for general corporation purposes.
From Mar 9, 2022 to Sept. 20, 2023	Options exercised	Common shares	2,669	The net proceeds from the exercise of options are being used to fund general administrative expenses, investing activities and other working capital needs.

Financial Position

The following table details the changes to the statements of financial position as at December 31, 2023, compared to December 31, 2022:

	As at December 31, 2023	As at December 31, 2022	Variance
Cash and cash equivalents	49,830	39,360	27%
Accounts receivable	607	2,344	(74%)
Sales taxes receivable	10,806	8,347	29%
Inventories	16,810	7,688	119%
Prepaid expenses and security deposits	2,346	1,495	57%
Options contracts	-	581	NM
Total current assets	**80,399**	**59,815**	**34%**
Restricted cash	20,503	2,489	724%
Deferred financing fees	1,888	-	NM
Non-refundable deposits to suppliers	8,136	580	1,303%
Deferred income tax	617	-	100%
Property, plant, and equipment	161,502	60,233	168%
Exploration and evaluation assets	60,012	33,687	78%
Total assets	**333,057**	**156,804**	**112%**
Total current liabilities	**46,695**	**24,241**	**93%**
Lease liabilities	887	127	598%
Long-term debt	57,672	-	NM
Asset retirement obligations	2,667	1,021	161%
Deferred income tax	-	1,106	(100%)
Total liabilities	**107,921**	**26,495**	**307%**
Total equity	**225,136**	**130,309**	**73%**
Total liabilities and equity	**333,057**	**156,804**	**112%**

***NM:** Not Meaningful*

Assets

The change in the Corporation's cash and cash equivalents balance on December 31, 2023, compared to the amount held on December 31, 2022, is detailed in section Liquidity and Capital Resources.

The decrease in accounts receivable for the year ended December 31, 2023, was mainly attributable to timing. During the last week of 2022, the Corporation sent a large shipment of silver ingots to one of its refiners.

The increase in sales taxes receivable from 2023 compared to 2022 of $2,459 is mostly related to the Zgounder expansion that has caused an increase in the volume of transactions subject to VAT in Morocco.

Higher inventories of ore stockpile are needed to prepare for the ramp-up from a daily production of 700 tpd to 2,700 tpd at the Zgounder mine which is scheduled for Q4-2024. The inventory of stockpile will continue to expand in H1-2024 and stabilize in Q3-2024 to maintain a security stock of 3-5 months of production.

Higher levels of mining supplies and spare parts are required to maintain a growing mobile fleet, machinery and larger stockpiled ore inventories required to support the Zgounder ramp-up production also contributed to the increase in inventories.

The decrease in options contracts from $581 in 2022 compared to ($185) in 2023 is related to a derivative FX contract with a nominal value of $10 million at an exchange rate between USD/CAD of 1.29.

The change in non-current assets balance on December 31, 2023 compared to the amount held on December 31, 2022, is detailed in the section Liquidity and Capital Resources.

Liabilities and Equity

Higher total of current liabilities is mainly due to the increase in accounts payables and accrued liabilities of $19,573 between 2023 and 2022 due to the Zgounder expansion in Morocco and an increase of $2,583 in income tax payable in Morocco due to an increase in taxable income of our Moroccan operating entity and an increase in the tax rate of 3.5% in 2023.

The increase of lease liabilities is related to the renewal of the leases done at the end of 2023.

The increase in asset retirement obligation is mainly due to the expansion of the Zgounder mine and its anticipated reclamation costs at the end of the mine life.

The increase of $57,672 in external debt is related to the EBRD Facility (See Project Facility for Zgounder Silver Mine Expansion and Note 9 of the FS).

The change in total equity is mainly attributable to net income during the year ended December 31, 2023, and the financing of C$92 million ($68.8 million) completed in January 2023 (See January 2023 Corporate Financing).

Capital Management

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

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

These objectives are achieved by 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 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, 2023 managed capital is $278,393 ($125,722 December 31, 2022) representing external debt and total equity before non-controlling interest. To facilitate the management of its capital requirements, the Corporation prepares long-term cash flow projections that consider various factors, including successful capital deployment, general industry conditions and economic factors. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable.

	As at December 31, 2023	As at December 31, 2022
Long-term debt	57,672	-
Equity	220,721	125,722
	278,393	**125,722**

Commitments and Contingency

The following are the contractual maturities of the Corporation's liabilities segmented by period and the future minimum payments of the commitments, as at December 31, 2023:

	0-12 months	12-24 months	More than 24 months	Total
	$	$	$	$
Accounts payable and accrued liabilities	41,743	-	-	41,743
Long-term debt	-	-	60,000	60,000
Balance of purchase price payable (14)	1,516	-	-	1,516
Lease liabilities, including future interest	290	257	746	1,293
	43,549	**257**	**60,746**	**104,552**

Engineering Procurement and Construction Contract

On November 30, 2022 the Corporation's subsidiary, Zgounder Millennium Silver Mining SA, entered into the EPC agreement with Duro Felguera S.A. ("DF") to construct a 2,000 tpd process plant at Zgounder. The EPC agreement has fixed price components of EUR 32.6 million, $19.6 million and MAD 265 million for an equivalent of approximately $82 million based on closing rates as at December 31, 2023. As at December 31, 2023, the Corporation recorded $52 million in relation to DF agreement (December 31, 2022 - $9 million) which was recorded as assets under construction.

As at December 31, 2023, the Corporation has committed to incur approximately $38 million, including approximately $30 million to DF, for costs related to assets under construction. In addition, the Corporation has made $8.1 million of deposits to suppliers in connection with the expansion of the Zgounder Silver Mine, including $5 million to DF (see section Project Facility for Zgounder Silver Mine Expansion and Recent Developments).

Royalties

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

- 3.0% royalty to ONHYM on revenue from the Zgounder property or $336 and $1,289 for the three and twelve-month periods ended December 31, 2023 respectively ($385 and $1,114 for the three and twelve-month periods ended December 31, 2022, respectively);
- 3.0% royalty to ONHYM on revenue from the Boumadine property;
- 2.5% Net Smelter Royalty ("NSR") to Société d'Exploration Géologique des Métaux ("SEGM") on the Amizmiz property and on an 8 km radius area of interest; and
- 2.5% royalty to Ouiselat Mines on revenue from the Azegour property.

(14) As per note 8 of the FS for the balance of purchase price.

Tijirit Commitments

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

- C$1,500,000 to Endeavour Mining, payable upon achieving a NI-43-101 compliant mineral reserve estimation of 1,000,000 ounces of gold; and
- $2,000,000 to ANARPAM at the commencement of production
- $4,200,000 is in the form of a non-demand, interest-free advance reimbursable only when the Corporation's Tijirit project generates revenues and would be reimbursed by paying Wafa Mining & Petroleum SA a 10% pro-rata share of the funds that might be available from Tirex's future cashflows.

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

- Between 4.0%-6.5% royalties 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;
- 1.5% NSR 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 - 300,000 ounces of gold.

No amounts have been paid as of December 31, 2023.

Net Profit Interest

In 2013, the Corporation agreed to a Net-Profit Interest ("NPI"), 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. On June 28, 2023, the Corporation paid $1.6 million that was due to Glowat under the NPI and the parties terminated the NPI agreement. As part of the settlement, all court procedures in Canada and Morocco between the Corporation, the former CEO and Glowat have been withdrawn.

Non-GAAP Measures

In addition to the corresponding GAAP figures, the Corporation uses non-GAAP key performance metrics to monitor and assess the operational performance of each active mining unit by calculating the cash cost per ounce to assess operating performance at each of its active mining units. These indicators are commonly used as measures of performance in the mining sector, but they are presented in addition to the IFRS indicators, although there is no consistent definition. These indicators are used by management and investors to assess the cost of operations compared to peers and the performance of each mine in the portfolio.

The below indicators are non-GAAP performance indicators and were calculated using World Gold Council (or "WGC") guidelines. WGC is not an industry regulatory agency and therefore does not have the authority to develop accounting standards for disclosure specifications. Due to differences in underlying accounting rules and procedures, the different groupings used in the presentation on Non-GAAP measures, other mining companies may calculate cash costs in a variety of ways. In accordance with the financial statements, the following table reconciles cash costs and cash costs per ounce sold on an attributable basis to cost of sales.

	Three-month periods ended December 31,		Years ended December 31,	
Zgounder Silver Mine – Morocco	**2023**	**2022**	**2023**	**2022**
Cost of sales [15]	6,276	8,603	27,042	27,961
Depreciation	(60)	(2,097)	(4,884)	(6,135)
Cost of sales, excluding depreciation	**6,216**	**6,506**	**22,158**	**21,826**
Add:				
Smelting, refining and transport costs [16]	733	818	2,997	2,620
Adjusted Operating Cash Costs (A)	**6,949**	**7,324**	**25,155**	**24,446**
Silver Ounces Sold (B)	**507,635**	**669,506**	**2,012,344**	**1,935,154**
Cash Cost per Silver Ounce sold (A/B)	**13.69**	**10.94**	**12.50**	**12.63**

Available Liquidity

Available liquidity is a new non-IFRS measure used by Management to prudently monitor its cash. Available liquidity is comprised of cash and cash equivalents and undrawn amounts under available credit facilities. The Corporation uses available liquidity to measure the liquidity required to satisfy its lenders, fund capital expenditures and support operations. This measure does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable to similar measures presented by other companies.

	As at December 31, 2023	As at December 31, 2022
Cash and cash equivalents	49,830	39,360
Undrawn amount under credit facility	40,000	-
Available liquidity	**89,830**	**39,360**

Following year end, an equity financing of $57.3 million was completed and a third drawdown of $25 million was completed (see section Recent Developments).

Risks and Uncertainties

An investment in securities of the Corporation is highly speculative and involves significant risks. If any of the events contemplated in the risk factors described below actually occurs, the Corporation's business may be materially and adversely affected, and its financial condition and results of operation may suffer significantly. In that event, the trading price of its common share could decline, and purchasers of common shares may lose all or part of their investment. The risks described herein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. Current holders and prospective buyers of the common shares of the Corporation should give careful consideration to all information contained or incorporated by reference in this MD&A and, in particular, the following risk factors.

Financial Risk Factors

Disclosure and description of the Corporation's capital management, financial risk management and financial instruments, including the risks pertaining to credit, commodity prices, liquidity and currencies, are in notes 19, 20 and 21 of the FS.

[15] As per note 16 of the FS for the total cost of sales.
[16] As per note 15 of the FS for treatment, smelting and refining costs reported as net of sales.

Risks Inherent to Mining Exploration

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

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

The figures for mineral reserves and mineral resources presented herein, including the anticipated tonnages and grades that will be achieved or the indicated level of recovery that will be realized, are estimates and no assurances can be given as to their accuracy. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. There is a degree of uncertainty attributable to the calculation of Mineral Reserves and Mineral Resources (as defined in National Instrument 43-101). Until Mineral Reserves or Mineral Resources are mined, extracted, and processed, the quantity of minerals and their grades must be considered estimates only. In addition, the quantity of Mineral Reserves and Mineral Resources may vary depending on, among other things, applicable metal prices. Actual mineralization or formations may be different from those predicted. It may also take many years from the initial phase of drilling before production is possible, and during that time the economic feasibility of exploiting a deposit may change. Reserve and resource estimates are materially dependent on prevailing gold and silver prices and price assumptions used in those estimates, and the cost of recovering and processing minerals at the individual mine sites. Any material change in the quantity of Mineral Reserves, Mineral Resources, grade or mining widths may affect the economic viability of some or all of the Corporation's mineral properties and may have a material adverse effect on the Corporation's operational results and financial condition. Mineral Resources on the Corporation's properties have been calculated based on economic factors at the time of calculation; variations in such factors may have an impact on the amount of the Corporation's Mineral Resources. In addition, there can be no assurance that silver recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue.

Inaccuracies in Production, Cost Estimates and Cash Flow

From time to time, the Corporation prepares estimates of future production and future production costs for operations. No assurance can be given that production and cost estimates will be achieved. These production and cost estimates are based on, among other things, the following factors: the accuracy of Mineral Reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and presence or absence of particular metallurgical characteristics; equipment and mechanical availability; labour; and the accuracy of estimated rates and costs of mining and processing, including the cost of human and physical resources required to carry out the Corporation's activities. Failure to achieve production or cost estimates, or increases in costs, could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Actual production and costs may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the Mineral Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; and risks and hazards associated with mining. In addition, there can be no assurance that silver recoveries or other metal recoveries in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors including dilution, widths, ore grade and metallurgy, labour costs, costs of supplies and services (such as, for example, fuel and power), general inflationary pressures and currency exchange rates. Failure to achieve production estimates could have an adverse impact on the Corporation's future cash flows, earnings, results of operations and financial condition.

Delays, Postponement and Incompletion of Projects

Exploration, development and construction projects in the mining industry are inherently risky, subject to many uncertainties and, capital intense. It is not unusual for legal, administrative, engineering and operational challenges to delay the advancement of such projects and require more capital than anticipated, especially in developing countries. Such challenges include acquiring all of the necessary mining and surface rights, project economics, inability to obtain sufficient funding, delays in obtaining environmental and construction authorizations and permits, as well as unforeseen difficulties encountered during the development process, including labour disputes. Any of these challenges among many others could cause delays in the achievement targeted milestones pertaining to the Zgounder Silver Mine expansion project or any other exploration or development project of the Corporation, affect its ability to raise sufficient funds for the advancement of projects, cause the Corporation to choose to indefinitely postpone or abandon a project or, cause the project expenditures, operation and financial outcomes to be inconsistent with the budget, plans and forecasts. The materialization of any such risk could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Reliance on Contractors

In November 2022, the Corporation's subsidiary entered into an $78M Engineering, Procurement and Construction contract (the "EPC Contract") with DF for the construction of the new 2,000 tpd processing plant at its Zgounder Silver Mine. The EPC Contract represents a significant portion of the total scope of the expansion project. Aya is subject to a number of risks associated with the use of outside contractors, like DF, in the course of its operations, including reduced control on certain aspects of its operations, failure by the contractor to perform its obligations in accordance with the terms of the EPC Contract, including their capacity to meet the imposed timelines and milestones, non-compliance with legal or regulatory requirements by the contractor, mismanagement of workforce by contractor leading to labor disputes or strikes and, contractor ceasing its operations temporarily or permanently due to disputes with us or our staff on-site, liquidity constraints, insolvency or other unforeseen events. In case of termination of the EPC Contract, Aya may face significant challenges in retaining the services of a different contractor and, under similar or equivalent terms as those set out in the EPC Contract. In addition, further to termination, it may prove to be difficult or impossible to recover from the contractor any damage caused by them to our assets or resulting from their negligence or inexecution of their obligations under the EPC Contract. We have sought to reduce our exposition to such risks by negotiating the EPC Contract to apportion risk and liability appropriately and to allow for payments to the contractor only upon satisfactory completion of milestones. Notwithstanding the foregoing, there can be no assurance that any of the above risks will not occur. The occurrence of any such risks could cause significant delays and additional expenses related to the completion of the expansion project or hinder our ability to complete the expansion project at all, which could have material adverse effects on our business, financial condition and results of operations.

Aya may retain the services of other contractors than DF for engineering, development and construction projects in the future. While the Corporation is diligent in retaining reputable and competent contractors, it nonetheless faces the risk that the contractors may fail to perform according to the terms of the agreements negotiated.

Access to Water

Access to water constitutes a critical consideration for mining activities. Sufficient and constant water access are necessary for Aya's operations, including for drilling, exploration, subsistence, processing ore, dust suppression, and other essential activities. Aya's operations are located in Morocco, in a region which is prone to periodic droughts due to its arid climate, with limited rainfall and high evaporation rates. Droughts in Morocco can result from various factors, including irregular precipitation patterns, climate change, and unsustainable water management practices. Water scarcity risks can arise when the corporation's operations demand more water than the available supply during a specific period, weather caused by drought or inability to rely on efficient water infrastructure and technology. Water scarcity risks may be heightened by competition for water resources among companies, agriculture and communities surrounding Aya's operations as well in the context of the expansion project namely the ramp up phase or commissioning of the new plant. Said risks include increased delays and costs for obtaining and using water for mining operations and unforeseen expenses related to water extraction, storage, treatment, transportation and disposal. The corporation could be forced, for example, to construct reservoirs, pipelines, drill groundwater wells or find alternative water resources than it currently uses. In addition, governments in Morocco could, without notice to the corporation, adopt new laws or regulations governing the access, storage, use, disposal and distribution of water and its quality. Any shortages or restrictions on water availability and compliance with new water-related laws or regulations could significantly increase operational complexity and costs and force Aya to reduce production, suspend operations temporarily, or seek alternative water sources, leading to delays and additional expenses. In case of prolonged limitations in access to water, the corporation may be unable to continue its operations or to do so in a profitable manner. The occurrence of any of the aforementioned risks could have material adverse effects on our business, financial condition and results of operations.

Indebtedness

In connection with the financing of the Zgounder Silver Mine expansion project, the Corporation and its subsidiaries entered into various financing agreements with EBRD and CTF, notably the Facility (as defined in the Interest Rates risk factor below) as well as a Guarantee, Indemnity and Subordination Agreement (together with the Facility and other agreements defined in "Material Contracts – EBRD Agreements", the "Agreements"). These Agreements require us to comply with various provisions that may limit or inhibit our ability to pursue strategies and projects. Such provisions include but are not limited to prohibitions or limitations on: the disposition of assets, the completion of mergers or acquisitions, transactions involving any change in control, specific investments, engaging in new business activities, incurring additional indebtedness, encumbering assets, paying dividends or making other distributions to shareholders and, engaging in transactions with our affiliates.

If we default under the Agreements, and such event of default is not cured or waived, the lenders could terminate their commitments under the debt instruments and cause all amounts outstanding with respect to the debt to become due and payable immediately, which could also potentially cause the acceleration of indebtedness under other agreements of the Corporation that contain cross default or cross-acceleration provisions. If the indebtedness under the Agreements is accelerated and the Corporation is not able to repay or borrow sufficient funds to refinance its indebtedness, the lenders under the Agreements could proceed to enforce the collateral interests granted to them to secure that indebtedness, which could result in the loss of all of our assets including, but not limited to, mining permits, cash and accounts receivable. Should this occur, we may lose control over our business and/or be forced into a reorganization or liquidation of our assets and/or, bankruptcy, which could have a material adverse effect on our business, financial condition, and results of operations.

We may also incur additional indebtedness in the future. The debt instruments governing such indebtedness could contain provisions that are as restrictive or more restrictive than those to which we are presently subject under the Agreements summarized above and any default under such debt instruments could entail similar consequences.

Our ability to make our scheduled payments and to meet our other obligations under our existing and future debt instruments depends on our financial condition and operational performance, which are subject to general economic, financial, competitive, legislative, and regulatory factors as well as other factors that are beyond our control. We cannot assure you that our business will generate cash flow or that future borrowings will be available to us in amounts sufficient to enable us to pay all principal and interest on our debt and to meet other liquidity needs. If we are not able to generate sufficient cash flow to service our debt obligations, we may need to refinance or restructure our debt, sell assets, reduce or delay capital investments, or seek to raise additional capital, which may have an adverse impact on our business, financial condition, and results of operations.

Uninsured Risks

The Corporation's business is subject to several risks and hazards, including environmental conditions, changes in regulatory environment, political and foreign country uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses, and legal liability. The insurance coverage of the Corporation does not cover all potential risks because of customary exclusions, limitations in availability or, in the Corporation's opinion, disproportionate cost in relation to insurable risks. There can be no assurance that the current coverage will remain available to the Corporation, that it will be fully renewed by the Corporation or that, in the event an insured risk materializes, the coverage will be sufficient or that the insurers involved will be able to fulfill their obligations.

Additional Funding Requirements

The continuation of our exploration and development activities relies on cash flow from our operations and external financing and will require additional capital. In addition, any future decision to expand our exploration programs or operations and/or to acquire assets will also require additional capital, notably for project engineering and construction purposes. Accordingly, to sustain its current activities, to execute its business projects and strategy and to discharge its unanticipated liabilities, the Corporation depends on its ability to generate free cash flow from its operating mine and to obtain external financing through debt financing, equity financing, the joint venturing of projects or other means. There is no guarantee that the Corporation will be successful in securing financing for these purposes in a timely manner, on favorable terms, or at all. Any disruption and volatility in the global capital markets, such as that experienced in the past years because of the COVID-19 pandemic, could increase the Corporation's cost of capital and adversely affect its ability to obtain financing. Should the Corporate raise funds by issuing additional equity securities, such financing may substantially dilute the interests of the current shareholders in the Corporation and reduce the value of their investment in the Corporation's securities.

Integration of Future Acquisitions into Existing Operations

The Corporation may make select future acquisitions. If the Corporation does make acquisitions, any positive effect on the Corporation's results will depend on a variety of factors, including, but not limited to: integrating the operations of an acquired business or property in a timely and efficient manner; maintaining the Corporation's financial and strategic focus while integrating the acquired business or property; implementing uniform standards, controls, procedures and policies at the acquired business, as appropriate; and to the extent that the Corporation makes an acquisition outside of markets in which it has previously operated, conducting and managing operations in a new operating environment. Acquiring additional businesses or properties could place pressure on the Corporation's cash reserves if such acquisitions involve cash consideration or if such acquisitions involve share consideration existing shareholders may experience dilution. The integration of the Corporation's existing operations with any acquired business may require significant expenditures of time, attention and funds. Achievement of the benefits expected from consolidation may require the Corporation to incur significant costs in connection with, among other things, implementing financial and planning systems. The Corporation may not be able to integrate the operations of a recently acquired business or restructure the Corporation's previously existing business operations without encountering difficulties and delays. In addition, this integration may require significant attention from the Corporation's management team, which may detract attention from the Corporation's day-to-day operations. Over the short-term, difficulties associated with integration could have a material adverse effect on the Corporation's business, operating results, financial condition and the price of the Corporation's Common Shares. In addition, the acquisition of mineral properties may subject the Corporation to unforeseen liabilities, including environmental liabilities, which could have a material adverse effect on the Corporation. There can be no assurance that any future acquisitions will be successfully integrated into the Corporation's existing operations.

Compliance with Evolving Legal Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Corporation and could adversely affect its operations, business and results of operations. Government approvals and permits are currently, and may in the future be, required in connection with the Corporation's mining exploration and development projects. To the extent such approvals are required and not obtained, the Corporation may be restricted or prohibited from proceeding with planned exploration or development activities.

In addition, as its common shares are publicly traded, the Corporation must adhere to rules and policies set forth by various Canadian and international governmental and self-regulatory bodies, such as the Canadian Securities Administrators and the Toronto Stock Exchange, which are constantly changing and expanding in complexity.

Compliance with applicable laws, regulations, permitting requirements, rules and policies requires Aya to incur administrative and legal expenses which are generally increasing and may divert management's focus from revenue-generating endeavors to regulatory compliance tasks.

Failure to comply with applicable laws, regulations, permitting requirements, rules or policies may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to be paused or cease, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Community Relations

Aya's relationships with communities located near the sites where it conducts its exploration, development and operation activities as well as with other stakeholders are important to the success of its operations. There are some groups located in Morocco, near the Zgounder Silver Mine, who have shown, in the past from time to time, opposition to the mining activities of the Corporation, including with regards to the use of limited water resources by the Corporation. Such opposition from local groups may also affect the activities of the Corporation in the future. In addition, there is an increased level of concern from the public in general with regards to the social and environmental impacts of mining activities. Non-governmental organizations and civil society groups often critique the extractive industries generally. Any legal challenges, work stoppages and adverse publicity generated by them or local groups could have a material adverse impact on the Corporation, particularly on its ability to secure new permits, continue its operations, the laws governing its activities and its reputation. Such impacts may lead to decreased investor confidence and affect the Corporation's operational results, financial position and cash flow. While the Corporation is committed to operating in a socially responsible manner, there is no assurance that its efforts can fully mitigate these risks.

Environmental Matters

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

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

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

Uncertainty of Titles

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

Conflicts of Interests

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

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

Availability of Workforce and Labour Relations

The Corporation is dependent on its ability to attract and retain employees and contractors at all levels with appropriate technical, business and management skills and operating experience necessary to execute its exploration, development and exploitation activities. The Corporation competes with mining companies on a global basis to attract and retain skilled labor. The remote locations at which its employees and contractors are called to work poses an additional challenge in terms of recruitment and retention. The employment of foreign workers in Morocco can be difficult in reason of the necessary work visas and permits the government requires. Shortages of suitably qualified personnel could have a material adverse effect on the Corporation's business and operational results. The loss of current employees and contractors due to failure in maintaining satisfactory labour relations could also adversely affect its business and operations. To this effect, the Corporation offers competitive remuneration and benefits and also implemented regular training sessions to improve general and specific skills of its workforce. As part of its succession planning, the Corporation also identified a limited number of high potential employees whose development aims at making them key managers within a short to medium term.

Infrastructure

Mining operations, as well as development and exploration activities, rely on adequate infrastructure such as reliable roads, power sources, water supply and telecommunications equipment, which all significantly impact both capital and operating costs. Any shortage of infrastructure elements or delay in their availability, weather caused by natural phenomena, lack of maintenance, human interference or other reasons, could delay or stop exploitation and/or development of or projects and negatively affect the Corporation's business, operational results and financial condition. Persistent or severe shortages or delay in availability could potentially lead to the alteration or abandonment of the Corporation's exploration and development plans.

Dependence on a Single Mine

Aya's only material property is the Zgounder Silver Mine. Unless new projects are acquired or advances our exploration properties are advanced to material status, any event affecting negatively the Zgounder Silver Mine could have a material adverse effect on the Corporation's business, financial performance and operation results. The Corporation is actively seeking new projects and exploring its non-material mineral properties with the aim of developing additional producing assets. Until it succeeds in doing so, for which there can be no assurance, the Corporation will remain dependent on its operations at the Zgounder Silver Mine for all of its cash flow.

Tailing Facilities and Dams

The waste rock, tailings and wastewater generated by our mining activities are kept in storage facilities and dams, at our sites. Any failure or breach of these facilities or dams on our sites could result in extensive environmental and property damages and, personal injury or death. Poor design or inadequate maintenance of the tailings facilities or improper management of site water may contribute to facility failure or tailings release and could also result in damage or injury. Some upstream dams at the Zgounder Silver Mine were constructed according to outdated norms and remain unsecured to this day – should such dams collapse, villages surrounding the site could be inundated and destroyed and residents could be injured or killed. Unpredictable natural events, such as extreme weather, seismic events, or other incidents out of the Corporation's control could induce or contribute to failures in dams and tailings facilities. Should any of the aforementioned risks materialize, the Corporation's operations could be delayed or stopped and the financial condition and reputation of the Corporation could also be materially and adversely affected. In such event, the Corporation could face enforcement actions, obligations to remediate environmental contamination, personal injury claims, securities litigation and other consequences including but not limited to fines and penalties and third-party claims, the suspension or revocation of its exploration and exploitation permits.

What is more, any failure to comply with environmental, health and safety laws or regulations pertaining to tailings facilities and dams may also result in injunctions and other consequences as those listed above. The costs associated with responsibilities and liabilities pertaining to tailings facilities and dams may be significant, higher than expected and result in a situation where it is no longer profitable to continue operations.

Reputation

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

Information Technology Systems and Cyber Security Threats

The Corporation's operations depend, in part, on information technology systems and services as well as digital technologies (collectively, "IT Systems"). The reliability and security of these IT Systems are critical for the secure processing, storage and transmission of information and data. Should the IT Systems' functionality or security fail or be interrupted without possibility of being restored quickly, the Corporation's ability to operate its facilities and conduct its business could be materially compromised. A failure in IT Systems or a breach in its security features could be caused by incidents including but not limited to cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, as well as unauthorized access to information and data, vandalism, theft, cyber-attacks and cyber-crimes targeting the Corporation's systems or those of third parties on which it relies. While the Corporation performs audits and maintains its IT Systems to mitigate risks of failures and has implemented a series of security measures in respect of its information and data, there is no assurance that it will be successful in preventing risks of failures and security breaches from materializing. The failure of IT Systems or any part thereof could cause disruptions or delays in operations, theft of funds, misappropriation of assets, and lead to the loss, destruction, inappropriate or unauthorized use of data and information, including personal data, confidential information or intellectual property of the Corporation, its employees, suppliers or customers. The occurrence of any of the foregoing could have a material adverse affect on the Corporation's cash flows, earnings, results of operations, financial condition and reputation. The Corporation may incur additional time and expense in relation to the remediation of the failure or breach, the improvement the IT Systems subject to the failure or breach and the notification of victims and appropriate authorities further to the breach. The Corporation could be subject to legal proceedings in respect of the failure or breach, which could require unexpected legal expenditures, and which could ultimately lead to a finding of liability, including under laws relating the protection of personal information, and the imposition of damages/fines/penalties.

Geopolitics, Restrictions on Repatriation of Earnings and Changes in Tax Regimes

The governments of Morocco and Mauritania, where the Corporation's projects are currently located, support the development of their natural resources by foreign companies, but there is no assurance that, in the future, these governments will not adopt new or different policies, laws, regulations or interpretations thereof respecting foreign ownership of mineral resources, taxation, exchange rates, environmental protection, labour relations, community rights, repatriation of income or return of capital, restrictions on production, price controls, capital controls, export controls, currency controls, local beneficiation of silver or gold production, restrictions of earnings, expropriation of property, foreign investment, maintenance of claims, water use and mine safety.

Political and social instability and changes in policies, laws, regulations or interpretations thereof in Mauritania and in Morocco are beyond the Corporation's control and, may result in the restriction or halting of the Corporation's operations, limitations on the possibility of it engaging international consultants and personnel and, the curtailment of physical access to it projects. The possibility that a government in Mauritania or Morocco may adopt new or substantially different laws, regulations, policies or interpretations thereof, might extend to the renegotiation or nullification of existing agreements and permits or to the expropriation of assets, cannot be ruled out. The materialization of such risks could have material adverse effects on our business, results of operations and financial condition.

Substantially all the Corporation's assets are held in its Moroccan subsidiaries though which it conducts its operations. As such, any new restrictions on the repatriation of earnings from our subsidiaries could impact on our ability to receive cash from our operations, which could have a material adverse effect on our financial condition.

Tax regimes and applicable tax rates in Morrocco may change without notice. Moreover, the Corporation's interpretation of tax laws and regulations, as applied to its transactions and activities, may not coincide with that of the authorities in Morocco and may be disputed. Consequently, the taxation applicable to transactions and operations involving the Corporation's subsidiaries may be challenged or revised by the tax authorities, which could result in significant additional taxes, penalties and interest and could impact the Corporation's cash flow forecasts, all-in sustaining costs and operating costs, and ultimately have a material adverse effect on our financial condition.

Illegal Miners

Since the acquisition of the Tijirit project in June of 2021, the Corporation has faced and may continue to face risks associated with illegal artisanal mining on its properties in Mauritania. Illegal miners may compromise the safety of the operations on site, cause contamination of the environment as the result of unauthorized use of chemicals, including cyanide and mercury, and in certain cases, accelerate the depletion of our ore bodies. Although the local government authorities have undertaken measures that have reduced the occurrence of illegal mining and removed same from the area of interest on the Corporation 's mining permit, the Corporation cannot provide assurance that these measures will be sustainable or successful in reducing or eliminating illegal mining in the future or on the entirety of its permit. The Corporation may also be held liable for environmental damage and/or personal injury associated with illegal mining activity on its properties despite its efforts to prevent that activity. Any of these factors could have a material adverse effect on the Corporation's business, results of operations and financial condition.

Public Health Threats

Any pandemic, epidemic, endemic or other public health threat, including the emergence of any COVID-19 variant, could negatively impact the global economy and result in abnormal levels of volatility in financial markets and in the prices and demand for commodities, including gold and silver. As a result of the COVID-19 pandemic, the Corporation encountered challenges in terms of mobilization of its staff to and from its sites, delayed shipments of materials and augmentation of costs for supplies and transportation. The extent to which the Corporation may be operationally or financially adversely impacted by COVID-19 or any other pandemic, epidemic or public health threat in the future is highly uncertain and could be material, depending on a variety of factors including the locations, severity and spread of outbreaks, the actions taken by governments in the countries where the Corporation operates in response to any outbreaks and the degree of disruption of supply chains. Significant outbreaks could result in a widespread crisis that could adversely affect the economies and financial markets of many countries and ultimately, Aya's business, operation results and financial condition.

Supply Chain Disruptions

Global supply chain disruptions, including prolonged disruptions to the procurement of equipment, or the flow of materials, supplies and services to the Corporation could have adverse impacts on its operating costs and capital expenditures and delay its exploration, construction and production activities. These disruptions may be the result of macroeconomic matters outside of the Corporation's control or ability to mitigate, such as from natural disasters, transportation disruptions, economic instability, global pandemics and international sanctions, including those imposed in the context of the invasion of Ukraine by Russia, among others. Supply chain impacts may also manifest as rising costs or shortages of certain commodities and labor.

As a result of recent violent attacks on vessels in the Red Sea area, several carriers have diverted their commercial vessels from the Suez Canal, to sail around the Cape of Good Hope. This critical maritime route disruption has caused the expected delivery time of new equipment at the Corporation's facilities in Morocco to be delayed. The duration of the disruption and the potential ripple effects thereof, including potential upward inflationary pressure on future shipping costs, are unknown and could result in further materialization of the aforementioned risks.

Wars

Following the invasion of Ukraine by Russia in February 2022, global energy costs have significantly risen and are affecting the Corporation in terms of costs for key inputs required for its operations, including the price of diesel and natural gas, as well as through higher transportation costs for supplies. As the war in Ukraine persists and there is a threat of expanded conflict in Europe, the Corporation continues to face the inflationary pressures and risks related thereto, including potential disruption of supply routes, increase in energy costs and transportation and possible negative effects on commodity prices.

Following the attacks by Hamas on Israel's border in October 2023, Israel declared war against Hamas and launched a series of responding attacks in Palestine. Since the beginning of the Israel-Palestine war, global oil prices have increased and, there is a risk that the instability in Middle East caused by the war result in further price increases, trade embargos, supply chain disruptions and other uncertain outcomes that may have material adverse effects on the Corporation.

Changes in Climate

Several governments have introduced or are moving to introduce climate legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon emission taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all the Corporation's operations. In addition, the physical risks of climate change may also have an adverse effect on the Corporation's operations. These risks include the following:

- Changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from the Corporation's operations to world markets.
- Extreme weather events (such as prolonged drought or flooding) have the potential to disrupt operations at the Corporations mines and may require the Corporation to make additional expenditures to mitigate the impact of such events. Extended disruptions to supply lines could result in interruption to production.
- Continued desertification of the region around the Zgounder Silver Mine may cause a disruption in its water supply which may require additional costs to ensure sufficient water supply to support its operations.
- The Corporation's facilities depend on regular supplies of consumables (diesel, tires, sodium cyanide, etc.) and reagents to operate efficiently. If the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Corporation's operations may be reduced. There can be no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on the Corporation's operations and profitability.

Enforcement of Rights in Foreign Jurisdictions

Aya's material subsidiaries, which directly own substantially all the Corporation's assets, are incorporated under the laws of foreign jurisdictions. In addition, all the Corporation's operations are located outside of Canada. As such, in case of disputes arising from its operations, the Corporation may be subject the exclusive jurisdiction of foreign courts or face difficulties in bringing foreign parties under to the jurisdiction of the courts in Canada. The legal systems of countries where disputes may be brought against the Corporation may not be mature and the legal practice may not be developed, such that the correct legal position may be uncertain or that we may be unable of enforcing our understanding of rights or titles. Any adverse or arbitrary decision of a foreign court may have a material and adverse impact on our business, financial condition, and results of operations.

Anti-Bribery and Anti-Corruption

Aya conducts its business activities in in some parts of the world where corruption, including bribery, is reportedly widespread. As such, there is a risk that dishonest, illegal or unethical conduct be used to achieve personal gain or to benefit a particular group or individuals in the course of business and, that things of value in any form, including money, gifts or benefits, be offered, given or promised to governmental officials to influence their actions or decisions or, in order to gain retain a business advantage. While said conducts may be considered an acceptable part of business culture in some countries, they may be illegal under anti-corruption, anti-bribery, anti-money laundering, or export control regulations and related laws. All such conducts would be in clear contravention of the Corporation's Anti-Corruption and Anti-Bribery Policy (the "ACAB Policy") and of its Code of Business Conduct and Ethics. The ACAB Policy applies to the Corporation, any subsidiary over which the Corporation holds control, directors, officers and employees of the Corporation and persons that are authorized to interface with foreign officials for the Corporation as agents, representatives or independent contractors. The ACAB Policy provides that any failure to comply with its provisions constitutes grounds for termination or other disciplinary action. It also sets forth an obligation for the Corporation and its controlled subsidiaries to conduct periodic training for employees on the policy. The directors and officers of the Corporation and of its controlled subsidiaries, as well as managers and employees designated from time to time by the legal officer, must certify at the commencement of their engagement with the Corporation, and annually thereafter, that they have read the ACAB Policy and have complied with its provisions. To further safeguard against the risks of corruption and unethical dealings, the Corporation retained the services of an independent whistle-blower line, accessible to anyone who wishes to elevate their concerns, and available on an anonymous basis. Notwithstanding the preventative measures taken by the Corporation, should there be a violation of applicable local and/or extraterritorial anti-corruption, anti-bribery laws in the course of the Corporation's business activities, civil and criminal fines, penalties and consequences could apply against the Corporation or its representatives, which could lead to material operational, financial and reputational damages.

Liquidity

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 Silver Mine.

Credit

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 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.

Currency

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.

Price of Commodities

The profitability of Aya's operations is significantly affected by changes in the market price of gold and silver. Gold and silver prices fluctuate on a daily basis and are affected by numerous factors beyond the control of Aya. The price of gold and/or silver can be subject to volatile price movements and future significant price declines could cause continued commercial production to be uneconomical. Depending on the prices of gold and silver, cash flow from mining operations may not be sufficient to cover costs of production and capital expenditures. If, as a result of a decline in silver prices, revenues from metal sales were to fall below cash operating costs, production may be discontinued. The factors that may affect the price of gold and silver include: industrial and jewelry demand; the level of demand for the metal as an investment; central bank lending, sales and purchases of the metal; speculative trading; and costs of and levels of global production by producers of the metal. Silver prices may also be affected by macroeconomic factors, including: expectations of the future rate of inflation; the strength of, and confidence in, the U.S. dollar, the currency in which the price of the metal is generally quoted, and other currencies; interest rates; and global or regional political or economic uncertainties.

Internal Controls

The Corporation has implemented internal controls over the preparation of its financial statements and other financial disclosures, to provide reasonable assurance that its financial reporting is reliable in all material respects and that the quarterly and annual financial statements are being prepared in accordance with IFRS and other relevant accounting standards and securities legislation. Our internal controls do not provide absolute assurances regarding the reliability of financial statement preparation and financial reporting. In assessing our internal controls from time to time, we may find some internal controls to be lacking or insufficient to prevent or detect all errors or fraud, potentially leading to detrimental consequences in terms of investor confidence and for our business and the value of our securities in the market.

Interest Rates

Interest rate risk is inherent in interest-bearing assets like loans or bonds, as their value can fluctuate in response to changes in interest rates. Aya is currently exposed to this risk, primarily with respect to its Zgounder Silver Mine expansion project financing facility provided by the Facility, as drawdowns under the Facility accrue interest at a variable rate equal to SOFR +5%, for the tranche provided by EBRD. If the interest rates increase, our indebtedness under the Facility will increase even though the amount borrowed remains the same. This will in turn decrease the cash flows available for investment in our operations. The CTF tranche may decrease upon the achievement by the Corporation of three ESG and operational milestones. While the Corporation successfully achieved the first milestone in 2023, which resulted in a 25% reduction of the CTF interest rate, there is no certainty that the remaining two milestones will be reached and that the interest rate applied to the CTF tranche will further decrease.

Impairment

Regular assessments are to be conducted by Aya to determine whether impairment is necessary for any of its assets. Assessing impairment involves making significant judgments based on various external and internal factors, some of which are beyond the Corporation's control, and necessitates the use of estimates and assumptions for each cash-generating unit. External factors encompass a wide range, from overall economic activity to changes in commodity prices, toll rates, discount rates, foreign exchange rates, and regulatory requirements. Internal factors include production volume, resource conversion capabilities, capital and operating expenditures, and future development plans. There's no guarantee that management's estimations of the future will align with actual events, potentially leading to further impairment charges. The timing and magnitude of such charges are challenging to predict and could have a materially adverse impact on the Corporation's business, financial status, and operational results.

Use of Derivative Instruments

Aya sometimes uses derivative instruments like put and call options and forward sales to protect a portion of its cash flows against decreases in the prices of silver or increases in the underlying commodities it uses. Such hedging activities may not always be available to Aya, may not be effective in reducing the volatility of its cash flows and may reduce Aya’s earnings, profitability and cash flows. There are risks that contracts pertaining to the derivative instruments: i) limit the price that can be realized on the hedged portion of the silver, if the market price of silver exceeds the strike price stipulated therein; and ii) stipulate commodity purchase prices higher than the prevailing market prices. The derivative instruments are only used within the production limits of the Corporation and the portion of the silver that may be hedged through said instruments remains within the limits of the Corporation’s risk matrix, approved by the Audit Committee of the Board.

Financial Instruments and Risk Management

Disclosure and description of the Corporation’s capital management, financial risks and financial instruments in notes 19, 20 and 21 of the FS for the year ended December 31, 2023 contain the risk factors associated with the Corporation.

Other Financial Information

Share Purchase Options

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

Expiry date	Number of options	Exercise Price
	Number	**C$**
July 1, 2030	4,313,334	1.43
March 3, 2031	359,667	4.75
May 12, 2031	333,400	7.69
	5,006,401	

Outstanding Share Data

	Number of shares outstanding (diluted)
Outstanding as of March 27, 2024	130,046,603
Shares reserved for issuance pursuant to share purchase options	5,006,401
Shares reserved for issuance pursuant to deferred share units	350,512
Shares reserved for issuance pursuant to restricted share units	1,419,835
	136,823,351

Off-Balance Sheet Arrangements

At December 31, 2023, the Corporation had no material off-balance sheet arrangements such as contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that generate financing, liquidity, market or credit risk to the Corporation, other than commitments, contingent liabilities and interest, as disclosed in this MD&A and the FS.

Related Party Disclosures

During the years ended December 31, 2023 and 2022, 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 $42 for the year ended December 31, 2023 ($57 for the year ended December 31, 2022) and exploration and evaluation fees amounting to $nil for the year ended December 31, 2023 ($55 for the year ended December 31, 2022). As at December 31, 2023 and December 31, 2022 no amount was due to the company;
- Management and consulting fees to Groupe Conseils Grou, La Salle Inc., a company owned by the President and Chief Executive Officer of $772 for the year ended December 31, 2023 ($768 for the year ended December 31, 2022). As at December 31, 2023, $412 (December 31, 2022 - $406) 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, 2023 and 2022 the remuneration awarded to key management personnel (including the amounts above) was as follows:

	Year ended December 31,	
	2023	2022
	$	$
Salaries and benefits	1,226	1,188
Management consulting and professional fees	1,146	1,057
Director fees	-	23
Share based payments	2,320	2,105
	4,692	**4,373**

Accounting Policies, Judgments and Estimates

Critical Accounting Judgments and Estimates

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

In preparing the Corporation's audited consolidated financial statements for the years ended December 31, 2023 and 2022, the Corporation applied the critical judgments and estimates disclosed in note 3 of its audited consolidated financial statements for the year ended December 31, 2023.

Change in Accounting Policies

In the year ended December 31, 2023, the Corporation has adopted the following accounting policy:

Debt and borrowing costs

Debt is initially recorded at fair value, net of any transaction costs, and subsequently carried at amortized cost. Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of that asset until the asset is substantially complete and ready for its intended use. All other borrowing costs are expensed as incurred.

Amendment to IFRS standards effective January 1, 2023

On January 1, 2023, the Corporation adopted the following new standards and interpretations:

Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)

On February 12, 2021, the IASB issued Disclosure Initiative – Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements). The key amendments include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such do not need to be disclosed;
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

Proposed Transaction

As at December 31, 2023, and the date hereof, the Corporation had no disclosable proposed transaction.

Management's Report on Internal Controls and Financial Reporting

Disclosure Controls and Procedures

The Corporation's board, officers and management are responsible for establishing and maintaining disclosure controls and procedures (DC&P) for the Corporation. Disclosure controls and procedures are designed to provide reasonable assurance that material information regarding our reports filed or submitted under securities legislation fairly presents the financial information of Aya and its subsidiaries and to ensure that required information is gathered and communicated to the Corporation's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) as is appropriate to permit timely decisions regarding public disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

An evaluation of the effectiveness of the Corporation's disclosure controls and procedures, as defined under the rules of the Canadian Securities Administration, was conducted as at December 31, 2023 under the supervision of the Corporation's Disclosure Committee and with the participation of management.

Based on the results of that evaluation, the CEO and the CFO concluded that the Corporation's disclosure controls and procedures were effective as at December 31, 2023 providing reasonable assurance that the information required to be disclosed in the Corporation's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with securities legislation.

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") as defined in NI 52-109. A Corporation's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable generally accepted accounting principles.

A Corporation's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Corporation; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Corporation are being made only in accordance with authorizations of management and directors of the Corporation; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Corporation's assets that could have a material effect on the financial statements. It should be noted that a control system, no matter how well conceived or operated, can only provide reasonable assurance, not absolute assurance, that the objectives of the control system are met. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate. Management, under the supervision of the Certifying Officers, has evaluated the effectiveness of ICFR and based on that evaluation, the Certifying Officers have concluded that the Corporation's ICFR was effective as at December 31, 2023. In making this assessment, management used the criteria set forth in the Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Changes in Internal Control over Financial Reporting

There were no changes to the Corporation's ICFR for the year ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

Limitations of Control and Procedures

The Corporation's management, including the CEO and the CFO, believe that any disclosure controls and procedures and internal controls over financial reporting, no matter how well designed, can have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance that the objectives of the control system are met.

The Corporation's management makes judgments in its process of applying the Corporation's accounting policies in the preparation of its audited consolidated financial statements. In addition, the preparation of financial data requires that the Corporation's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Corporation's assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting effects on the carrying amounts of the Corporation's assets and liabilities are accounted for prospectively. The critical judgments, estimates and assumptions applied in the preparation of these audited consolidated financial statements were the same as those described in note 3 of the Corporation's audited annual consolidated financial statements for the year ended December 31, 2023.

Cautionary Note Regarding Forward-Looking Information

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A including, but not limited to, any information as to the future financial or operating performance of the Corporation, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements contained in this MD&A, include, but are not limited to, those under the headings "Development and Exploration", "2024 Guidance Review" and "Liquidity and Capital Resources" amongst others include, without limitation, statements with respect to our guidance for production, cost guidance, including production costs of sales, all-in sustaining cost of sales, and capital expenditures; statements with respect recoveries, average grades mined or processed, exploration budgets; identification of additional resources and reserves or the conversion of resources to reserves; the Corporation's liquidity and access to cash; ESG objectives; greenhouse gas reduction initiatives and targets; the implementation and effectiveness of the Corporation's ESG or Climate Change strategy; forecast for the Corporation's projects including the expansion project; budgets for and future prospects for exploration, development and operation at the Corporation's operations and projects, including the Zgounder project; potential mine life extensions at the Corporation's operations; the Corporation's balance sheet and liquidity outlook, as well as references to other possible events including, the future price of silver, the timing and amount of estimated future production, costs of production, operating costs; price inflation; capital expenditures, costs and timing of the development of projects and new deposits at Zgounder or Boumadine, estimates and the realization of such estimates (such as mineral or gold reserves and resources or mine life), success of exploration, development and mining, currency fluctuations, capital requirements, project studies, government regulation, permit applications, environmental risks and proceedings, and resolution of pending litigation. The words "expect", "on track", "on target", "continue", "plan", "remain", "confirm", "guidance", "outlook", "estimate", "range", "extend", "design", "objective", "advance", "continue", "plan", "potential", or variations of or similar such words and phrases or statements that certain actions, events or results may, could, should or will be achieved, received or taken, or will occur or result and similar such expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Corporation as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates, models and assumptions of the Corporation referenced, contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in our MD&A for the year ended December 31, 2023, and the Annual Information Form dated March 28, 2024 as well as: (1) there being no significant disruptions affecting the operations of the Corporation, whether due to extreme weather events (including, without limitation drought, lack of rainfall) and other or related natural disasters, labour disruptions (including but not limited to strikes or workforce reductions), supply disruptions, power disruptions, damage to equipment, pit wall slides or otherwise; (2) permitting, development, operations and production from the Corporation's operations and development projects being consistent with current expectations including, without limitation: the maintenance of existing permits and approvals and the timely receipt of all permits and authorizations necessary for the operation of our assets; and the successful completion of exploration consistent with the Corporation's expectations at the Corporation's projects; (3) political and legal developments in any jurisdiction in which the Corporation operates being consistent with its current expectations including, without limitation, restrictions or penalties imposed, or actions taken, by any government, including but not limited to amendments to the mining laws in Morocco and Mauritania, potential third party legal challenges to existing permits; (4) the completion of studies, including scoping studies, preliminary economic assessments, pre-feasibility or feasibility studies, on the timelines currently expected and the results of those studies being consistent with our current expectations namely on the Boumadine project or resource updates on Zgounder; (5) the exchange rate between the Canadian dollar, the MAD, the Euro and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for silver; (7) prices for diesel, fuel oil, electricity and other key supplies being approximately consistent with the Corporation's expectations; (8) attributable production and cost of sales forecasts for the Corporation meeting expectations; (9) the accuracy of the current mineral reserve and mineral resource estimates of the Corporation's analysis thereof being consistent with expectations (including but not limited to grade, ore tonnage and ore grade estimates), future mineral resource and mineral reserve estimates being consistent with preliminary work undertaken by the Corporation, mine plans for the Corporation's current and future mining operations, and the Corporation's internal models; (10) labour and materials costs increasing on a basis consistent with our current expectations; (11) the terms and conditions of the legal and fiscal stability in Morocco being interpreted and applied in a manner consistent with their intent and our expectations; (12) asset impairment potential; (13) the regulatory and legislative regime regarding mining in Morocco being consistent with our current expectations; (14) access to capital markets; (15) potential direct or indirect operational impacts resulting from infectious diseases or pandemics; (16) changes in national and local government legislation or other government actions; and (17) litigation, regulatory proceedings and audits, and the potential ramifications thereof, being concluded in a manner consistent with the Corporation's expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the inaccuracy of any of the foregoing assumptions; fluctuations in the currency markets; fluctuations in the spot and forward price of silver or certain other commodities; price inflation of goods and services; changes in the discount rates applied to calculate the present value of net future cash flows based on country-specific real weighted average cost of capital; changes in the market valuations of peer group silver producers and the Corporation, and the resulting impact on market price to net asset value multiples; risks arising from holding derivative instruments (such as credit risk, market liquidity risk and mark-to-market risk); changes in national and local government legislation, taxation (including but not limited to income tax, advance income tax, withholding tax, capital tax, tariffs, value-added or sales tax, production royalties, excise tax, customs/import or export taxes/duties, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes), controls, policies and regulations; the security of personnel and assets; political or economic developments in Morocco or Mauritania; operating or technical difficulties in connection with mining, development or refining activities; employee relations; litigation or other claims against, or regulatory investigations and/or any enforcement actions, administrative orders or sanctions in respect of the Corporation (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada, environmental litigation or regulatory proceedings or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations or any other applicable jurisdiction; the speculative nature of silver or gold exploration and development including, but not limited to, the risks of obtaining and maintaining necessary licenses and permits; diminishing quantities or grades of reserves; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of silver and gold exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, Aya's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, Aya, including but not limited to resulting in an impairment charge on goodwill and/or assets. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by this cautionary statement and those made in our other filings with the securities regulators of Canada including, but not limited to, the cautionary statements made in our MD&A for the year ended December 31, 2023, and the "Risk Factors" set forth in the Corporation's Annual Information Form dated March 28, 2024. These factors are not intended to represent a complete list of the factors that could affect Aya. The Corporation disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Additional Information and Continuous Disclosure

Additional information on the Corporation, including the Corporation's Annual Information Form and the Corporation's FS for the year ended December 31, 2023, is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.ayagoldsilver.com.

Technical Information

David Lalonde, B. Sc, Head of Exploration, designated as a Qualified Person under National Instrument 43-101 for Aya Gold and Silver has reviewed and approved the technical content of this document.