GOLD & SILVER

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three-month periods ended March 31, 2024 and 2023

Management’s responsibilities over financial reporting

The Condensed Interim Consolidated Financial Statements of Aya Gold & Silver Inc. (the "Corporation" or "Aya") are the responsibility of the Corporation’s management. The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board and reflect management’s best estimates and judgment based on information currently available.

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

Condensed Interim Consolidated Statements of Financial Position

(Expressed in thousands of US dollars - unaudited)

	March 31, 2024	December 31, 2023
	$	$
ASSETS		
Current		
Cash and cash equivalents	**90,539**	49,830
Accounts receivable	**993**	607
Sales taxes receivable	**6,423**	10,806
Income tax receivable	**778**	-
Inventories (Note 4)	**19,454**	16,810
Prepaid expenses and security deposits	**2,373**	2,346
Options contracts (Note 16)	**78**	-
	120,638	80,399
Non-current		
Restricted cash (Note 16)	**20,509**	20,503
Deferred financing fees (Note 7)	**716**	1,888
Non-refundable deposits to suppliers (Note 5)	**3,652**	8,136
Deferred income tax	**605**	617
Property, plant, and equipment (Note 5)	**184,916**	161,502
Exploration and evaluation assets (Note 6)	**64,550**	60,012
TOTAL ASSETS	**395,586**	333,057
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**34,971**	41,743
Balance of purchase price payable	**1,486**	1,516
Income tax payable	**-**	3,058
Current portion of lease liabilities	**238**	233
Options contracts (Note 16)	**-**	145
	36,695	46,695
Non-current		
Lease liabilities	**811**	887
Long-term debt (Note 7)	**82,109**	57,672
Asset retirement obligations	**3,093**	2,667
TOTAL LIABILITIES	**122,708**	107,921
EQUITY		
Share capital (Note 8)	**318,378**	260,897
Equity reserves	**8,136**	12,067
Deficit	**(58,002)**	(52,243)
	268,512	220,721
Non-controlling interests	**4,366**	4,415
TOTAL EQUITY	**272,878**	225,136
TOTAL LIABILITIES AND EQUITY	**395,586**	333,057

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

On behalf of the Board,

Benoit La Salle
President, CEO, Director

Yves Grou /s/
Director

Condensed Interim Consolidated Statements of Comprehensive Loss

(Expressed in thousands of US dollars, except share and per share amounts - unaudited)

	Three-month periods ended March 31,	
	2024	2023
	$	$
Revenue from silver sales (Note 11)	**5,077**	10,443
Cost of sales (Note 12)	**4,741**	8,360
Gross margin	**336**	2,083
Expenses		
General and administrative (Note 13)	**2,079**	1,486
Share-based payments (Note 9)	**1,126**	682
	3,205	2,168
Operating loss	**(2,869)**	(85)
Net finance income (Note 13)	**574**	1,945
Net (loss) income before income taxes	**(2,295)**	1,860
Income tax expense	**297**	800
Net (loss) income	**(2,592)**	1,060
Net (loss) income attributable to		
Equity holders of Aya Gold & Silver Inc.	**(2,543)**	1,070
Non-controlling interests	**(49)**	(10)
Net (loss) income	**(2,592)**	1,060
Other comprehensive loss		
Items that will subsequently be reclassified to net (loss) income:		
Foreign currency translation adjustment	**(4,974)**	(1,329)
Comprehensive loss	**(7,566)**	(269)
Basic (loss) income per common share (Note 18)	**(0.02)**	0.01
Diluted (loss) income per common share (Note 18)	**(0.02)**	0.01
Weighted average number of shares - basic (Note 18)	**126,277,806**	114,693,572
Weighted average number of shares - diluted (Note 18)	**126,277,806**	122,702,115

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

Condensed Interim Consolidated Statement of Changes in Equity

(Expressed in thousands of US dollars - unaudited)

	Share Capital		Equity Reserves					
	Number of issued and outstanding shares	**Share capital**	**Contributed surplus[(a)]**	**Accumulated other comprehensive income (loss)[(b)]**	**Equity Reserves**	**Deficit attributable to equity holders of Aya Gold & Silver Inc.**	**Non-controlling interests**	**Total equity**
		$	$	$	$	$	$	$
Balance as at December 31, 2023	**122,377,703**	**260,897**	**19,893**	**(7,826)**	**12,067**	**(52,243)**	**4,415**	**225,136**
Exercise of options (Note 8)	95,000	184	(83)	-	(83)	-	-	101
Share-based payments (Note 9)	-	-	1,126	-	1,126	-	-	1,126
Share issuance (Note 8)	7,573,900	57,297	-	-	-	-	-	57,297
Share issue costs	-	-	-	-	-	(3,216)	-	(3,216)
	130,046,603	**318,378**	**20,936**	**(7,826)**	**13,110**	**(55,459)**	**4,415**	**280,444**
Net loss	**-**	**-**	**-**	**-**	**-**	**(2,543)**	**(49)**	**(2,592)**
Other comprehensive loss	-	-	-	(4,974)	(4,974)	-	-	(4,974)
Comprehensive loss	**-**	**-**	**-**	**(4,974)**	**(4,974)**	**(2,543)**	**(49)**	**(7,566)**
Balance as at March 31, 2024	**130,046,603**	**318,378**	**20,936**	**(12,800)**	**8,136**	**(58,002)**	**4,366**	**272,878**
Balance as at December 31, 2022	**105,020,190**	**170,684**	**20,760**	**(12,171)**	**8,589**	**(53,551)**	**4,587**	**130,309**
Exercise of warrants (Note 8)	155,000	477	(92)	-	(92)	-	-	385
Share-based payments (Note 9)	-	-	682	-	682	-	-	682
Shares issuance (Note 8)	11,151,550	68,766	-	-	-	-	-	68,766
Share issue costs	-	-	-	-	-	(4,054)	-	(4,054)
	116,326,740	**239,927**	**21,350**	**(12,171)**	**9,179**	**(57,605)**	**4,587**	**196,088**
Net income (loss)	-	-	-	-	-	1,070	(10)	1,060
Other comprehensive loss	-	-	-	(1,329)	(1,329)	-	-	(1,329)
Comprehensive (loss) income	**-**	**-**	**-**	**(1,329)**	**(1,329)**	**1,070**	**(10)**	**(269)**
Balance as at March 31, 2023	**116,326,740**	**239,927**	**21,350**	**(13,500)**	**7,850**	**(56,535)**	**4,577**	**195,819**

a) Contributed surplus reserve records the cumulative amounts of compensation expense recognized under IFRS 2 Share-Based Payment with respect to share purchase options granted, shares purchase warrants, restricted share units and deferred share units issued but not yet exercised.

b) Accumulated other comprehensive loss reserve records the gains and losses arising from the translation of the Corporation's Financial Statements to the reporting currency.

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

Condensed Interim Consolidated Statement of Cash Flows

(Expressed in thousands of US dollars - unaudited)

	Three-month periods ended March 31,	
	2024	2023
Cash flows provided by (used in)	**$**	$
OPERATING ACTIVITIES		
Net (loss) income	**(2,592)**	1,060
Adjustments for non-cash items		
Share-based payments (Note 9)	**1,126**	682
Depreciation of property, plant, and equipment (Note 12 & Note 13)	**289**	1,780
Accretion expense (Note 13)	**30**	28
Unrealized loss (gain) on foreign exchange	**233**	(1,580)
Change in fair value of options contracts (Note 13)	**(37)**	(115)
	(951)	1,855
Changes in working capital items (Note 17)	**(9,283)**	2,208
	(10,234)	4,063
INVESTING ACTIVITIES		
Net change in restricted cash	**-**	(14)
Deposits to suppliers for capital expenditures	**-**	(2,511)
Acquisition of property, plant and equipment	**(20,202)**	(11,306)
Additions to exploration and evaluation assets (Note 6)	**(5,604)**	(4,975)
	(25,806)	(18,806)
FINANCING ACTIVITIES		
Repayment of lease liabilities	**(113)**	(116)
Deferred financing costs	**-**	(906)
Proceeds from long-term debt (Note 7)	**25,000**	-
Proceeds from exercise of options	**101**	-
Proceeds from exercise of warrants	**-**	385
Proceeds from share issuance (Note 8)	**57,297**	68,766
Share issue costs	**(3,216)**	(4,054)
	79,069	64,075
Effect of exchange rate changes on cash in foreign currencies	**(2,320)**	(196)
Net change in cash	**40,709**	49,136
Cash, beginning of period	**49,830**	39,360
Cash, end of period	**90,539**	88,496

Supplemental cash flow information (Note 17)

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

Notes to Condensed Interim Consolidated Financial Statements

March 31, 2024 and 2023

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

1. GENERAL INFORMATION

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

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

2. BASIS OF PRESENTATION

Statement of compliance

The condensed interim consolidated financial statements of the Corporation for the three periods ended March 31, 2024 and 2023 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board (“IASB”). IFRS includes IFRS Accounting Standards, International Accounting Standards (“IAS”), and interpretations issued by the IFRS Interpretations Committee (“IFRIC”). These condensed interim consolidated financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023, which have been prepared in accordance with IFRS.

The Board of Directors approved and authorized for issue these condensed interim consolidated financial statements on May 14, 2024.

Basis of measurement

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

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

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

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

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

3. MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. In preparing these condensed interim consolidated financial statements, the significant judgments made by management applying the Corporation’s accounting policies and the key sources of estimation uncertainty were the same as those described in the Corporation’s audited consolidated financial statements for the year ended December 31, 2023.

Material accounting policies

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2023.

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

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

Functional and presentation currency

The functional currency of Aya is the Canadian dollar. The functional currency of the Corporation and its subsidiaries has remained unchanged during the reporting period. The Corporation's presentation currency is the US dollar. The US dollar is the Corporation's presentation currency because it best reflects its business activities and financial results.

4. INVENTORIES

	March 31, 2024	December 31, 2023
	$	$
Mining supplies	**7,826**	8,714
Silver bars	**470**	340
Silver in concentrate	**2,382**	552
Silver in circuit	**27**	22
Ore stockpile	**8,749**	7,182
	19,454	16,810

For the three-month period ended March 31, 2024, the Corporation recognized $3,852 of inventory costs in the cost of sales ($7,202 for the three-month period ended March 31, 2023).

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

5. PROPERTY, PLANT, AND EQUIPMENT

The majority of properties, plant and equipment are located in Morocco and are related to the Zgounder mine. As at March 31, 2024, the Corporation determined that there were no material events or changes in circumstances indicating that the carrying amount of property, plant and equipment, including Assets under construction related to the Zgounder processing plant, may not be recoverable. As such, no impairment test was performed.

	Drilling and mining equipment	Mining and processing equipment	Mining assets in production	Assets under construction	Right-of-use assets	Total
	$	$	$	$	$	$
Cost						
Balance at January 1, 2023	2,982	13,764	23,939	31,062	912	72,659
Transfers	82	2,351	13,164	(15,597)	-	-
Additions	148	1,309	2,985	93,240	1,137	98,819
Borrowing costs (Note 7)	-	-	-	2,104	-	2,104
Lease termination	-	-	-	-	(770)	(770)
Asset retirement obligation	-	-	1,613	-	-	1,613
Foreign exchange	169	889	1,278	2,805	32	5,173
Balance at December 31, 2023	3,381	18,313	42,979	113,614	1,311	179,598
Transfers	-	156	1,995	(2,151)	-	-
Additions	-	-	671	24,014	48	24,733
Borrowing costs (Note 7)	-	-	-	2,489	-	2,489
Asset retirement obligation	-	-	473	-	-	473
Foreign exchange	(68)	(366)	(1,342)	(2,287)	(27)	(4,090)
Balance at March 31, 2024	3,313	18,103	44,776	135,679	1,332	203,203
Accumulated depreciation						
Balance at January 1, 2023	145	5,006	6,537	-	738	12,426
Depreciation	274	1,825	3,250	-	300	5,649
Lease terminations	-	-	-	-	(770)	(770)
Foreign exchange	11	268	569	-	(57)	791
Balance at December 31, 2023	430	7,099	10,356	-	211	18,096
Depreciation	78	102	308	-	73	561
Foreign exchange	(10)	(142)	(213)	-	(5)	(370)
Balance at March 31, 2024	498	7,059	10,451	-	279	18,287
Carrying amounts						
At December 31, 2023	2,951	11,214	32,623	113,614	1,100	161,502
At March 31, 2024	2,815	11,044	34,325	135,679	1,053	184,916

Assets under construction are in Morocco and represent expenditures for the construction and development of assets which the Corporation intends to put into production by in 2024.

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

5. PROPERTY, PLANT, AND EQUIPMENT (continued)

On November 30, 2022 the Corporation's subsidiary entered into the Engineering Procurement and Construction ("EPC") agreement with Duro Fuelguera S.A. ("DF") to construct a 2,000 tonne per day processing plant at Zgounder. The EPC agreement has a fixed price components of EUR 32.6 million, $19.6 million and MAD 265 million for an equivalent of approximately $81 million based on foreign currency rates as at March 31, 2024. As at March 31, 2024, the Corporation incurred $67 million in relation to DF agreement (December 31, 2023 - $61 million) which was recorded as Assets under construction. As at March 31, 2024, the Corporation has committed to incur approximately $18 million, including approximately $14 million to DF, for costs related to assets under construction. In addition, the Corporation has made $3.7 million of deposits to suppliers in connection with the expansion of the Zgounder Silver Mine, including $2 million to DF.

6. EXPLORATION AND EVALUATION ASSETS

During the three-month period ended March 31, 2024 and the year ended December 31, 2023, changes in exploration and evaluation assets were as follows:

	March 31, 2024	December 31, 2023
	$	$
Rights on mining properties		
Balance, beginning of the period	**24,114**	19,920
Additions	**-**	4,790
Foreign exchange	**(442)**	(596)
Balance, end of the period	**23,672**	24,114
Deferred exploration and evaluation expenses		
Balance, beginning of the period	**35,898**	13,767
Additions:		
Drilling, Sampling, Geology, and others	**5,604**	21,344
Foreign exchange	**(624)**	787
Balance, end of the period	**40,878**	35,898
Total	**64,550**	60,012

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

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

March 31, 2024

	Boumadine	**Zgounder Regional**	**Tirzzit**	**Azegour**	**Imiter**	**Tijirit**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Opening Balance	22,926	4,112	4,817	52	1,616	26,489	60,012
Drilling, sampling, geology, and others	4,622	569	148	6	2	257	5,604
Foreign exchange	(434)	(86)	(105)	(1)	(32)	(408)	(1,066)
Closing Balance	**27,114**	**4,595**	**4,860**	**57**	**1,586**	**26,338**	**64,550**

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

							December 31, 2023
	Boumadine	**Zgounder Regional**	**Tirzzit**	**Azegour**	**Imiter**	**Tijirit**	**Total**
	$	$	$	$	$	$	$
Opening Balance	7,607	2,391	-	32	1,524	22,133	33,687
Additions to mining rights	-	-	4,790	-	-	-	4,790
Drilling, sampling, geology, and others	14,787	1,552	-	19	7	4,979	21,344
Foreign exchange	532	169	27	1	85	(623)	191
Closing Balance	**22,926**	**4,112**	**4,817**	**52**	**1,616**	**26,489**	**60,012**

7. LONG-TERM DEBT

On January 19, 2023, the Corporation entered into a credit agreement for a secured project financing facility with the European Bank for Reconstruction and Development ("EBRD") (the "Facility") to provide financing for the construction of the 2,000 tonne per day process plant (see note 5) 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 twice every year on July 19 and January 19.

Interest rate on the CTF $8,000 tranche is equal to the all-in rate at the time of signing reduced following achievement of three milestones:

- Milestone 1: Task Force on Climate-related Financial Disclosures ("TCFD") report was disclosed by end of 2023, therefore, has resulted in a 25% rate reduction. The new interest rate on the CTF Tranche is 6.98%.
- 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 representing 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 subsidiary, ZMSM. Starting on the 2nd year anniversary of the loan, ZMSM must maintain certain working capital ratios and adhere to other non-financial covenants.

The long-term debt has been recorded at amortized cost, net of transaction costs, and will be accreted to face value over the life of the long-term debt using the effective interest rate method.

The Corporation paid a front-end commission, an underwriting fee, commitment charges and related transaction costs for a total of $4,370 and $3,654 was recorded in transaction costs and $716 was recorded as deferred financing fees, in proportion to the amount drawn on the facility to the total available facility. As at March 31, 2024, $1,640 of interest and commitment charges are included in accounts payable.

As at March 31, 2024, $85,000 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 most of the balance to a Debt Service Reserve Account ("DSRA"). The Corporation must keep a balance up to $16,250 in the DSRA and it will be held in restricted cash.

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

7. LONG-TERM DEBT (continued)

	March 31, 2024	December 31, 2023
	$	$
Balance, beginning of the period	**59,622**	-
Drawdown in cash	**25,000**	60,000
Payments	**(2,190)**	
Interest expense	**2,489**	2,104
Transaction costs	**(1,172)**	(2,482)
Balance, end of the period	**83,749**	59,622
Current portion of long-term debt, being the interest payable and commitment charges, presented in accounts payable and accrued liabilities	**(1,640)**	(1,950)
	82,109	57,672

There is a two-year principal grace period, and the principal must be repaid starting in 2026.The repayments of the outstanding amounts related to the long-term debt and interest for the forthcoming years are as follows:

	$
2024	1,640
2025	-
2026	24,286
2027	24,286
2028 and above	33,537
Total	**83,749**

8. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

Common Shares

As at March 31, 2024, the Corporation had 130,046,603 issued and outstanding common shares (December 31, 2023 - 122,377,703).

Transactions during the three-month period ended March 31, 2024:

- On February 14, 2024 the Corporation closed its bought deal financing and issued 7,573,900 common shares at a price of C$10.25 per share for total consideration of C$77,632 ($57,297).
- A total of 95,000 share purchase options were exercised for a strike price of C$1.43 for total proceeds of C$136 ($101) and an ascribed value reclassification of C$111 ($83) from contributed surplus to share capital.

During the period in which the options were exercised, the Corporation's minimum market share price was C$9.75 ($7.20) while the maximum was C$10.43 ($7.72).

Transactions during the three-month period ended March 31, 2023:

- On January 25, 2023 the Corporation closed its bought deal financing and issued 11,151,550 common shares at a price of C$8.25 per share for total consideration of C$92,000 ($68,765).
- A total of 155,000 share purchase warrants were exercised for a strike price of C$3.30 for total proceeds of C$511 ($385) and an ascribed value reclassification of C$125 ($92) from contributed surplus to share capital.

During the period in which the warrants and options were exercised, the Corporation's minimum market share price was C$8.84 ($6.61) while the maximum was C$9.44 ($7.07).

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

9. SHARE-BASED PAYMENTS

Share purchase options

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

The outstanding share purchase options and their exercise price in Canadian dollar as at March 31, 2024 and as at December 31, 2023 are summarized as follows:

	Three-month period ended March 31, 2024		Year ended December 31, 2023	
	Number	**C$ (1)**	Number	C$ (1)
Balance, beginning of the period	5,101,401	2.07	6,041,401	2.29
Exercised	(95,000)	1.43	(940,000)	3.05
Balance, end of the period	**5,006,401**	**2.09**	**5,101,401**	**2.07**
Exercisable	5,006,401	2.09	5,101,401	2.07

(1) Weighted average exercise price in Canadian dollars.

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

			March 31, 2024
	Number outstanding	**Number exercisable**	**Exercise price C$**
July 1, 2030	4,313,334	4,313,334	1.43
March 3, 2031	359,667	359,667	4.75
May 12, 2031	333,400	333,400	7.69
	5,006,401	**5,006,401**	

			December 31, 2023
	Number outstanding	**Number exercisable**	**Exercise price C$**
July 1, 2030	4,408,334	4,408,334	1.43
March 3, 2031	359,667	359,667	4.75
May 12, 2031	333,400	333,400	7.69
	5,101,401	**5,101,401**	

No options were granted during the three-month period ended March 31, 2024 and the year ended December 31, 2023. A share-based payment expense of $nil was recognized during the three-month period ended March 31, 2024 ($108 during the three-month period ended March 31, 2023).

Restricted share units

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

Pursuant to the terms of the RSU Plan, Participants will receive, upon vesting of the RSUs, common shares of the Corporation issued from treasury. The outstanding RSUs as at March 31, 2024 and as at December 31, 2023 are as follows:

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

9. SHARE-BASED PAYMENTS (continued)

	Three-month period ended March 31, 2024		Year ended December 31, 2023	
	Number	**C$(2)**	Number	C$(2)
Balance, beginning of the period	982,328	9.52	591,017	8.73
Granted	439,954	10.00	406,758	10.66
Forfeited	(2,447)	10.35	(15,447)	9.07
Balance, end of the period	**1,419,835**	**9.67**	**982,328**	**9.52**
Vested	-	-	-	-

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

A share-based compensation payment of $836 was recognized during the three-month period ended March 31, 2024 ($325 during the three-month period ended March 31, 2023).

Deferred share units

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

Pursuant to the terms of the DSU Plan, Directors will receive, after the termination date, common shares of the Corporation issued from treasury. The outstanding DSUs as at March 31, 2024 and as at December 31, 2023 are as follows:

	Three-month period ended March 31, 2024		Year ended December 31, 2023	
	Number	**C$(3)**	Number	C$(3)
Balance, beginning of the period	328,512	8.41	209,765	8.10
Granted	33,409	11.70	152,535	8.85
Settled	-	-	(33,788)	8.47
Balance, end of the period	**361,921**	**8.72**	**328,512**	**8.41**
Exercisable	-	-	-	-

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

A share-based compensation payment of $290 was recognized during the three-month period ended March 31, 2024 ($249 during the three-month period ended March 31, 2023).

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

10. SEGMENTED INFORMATION

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

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

For the three-month period ended March 31, 2024, the Corporation's reporting segments include the production segment, with its Zgounder silver project in Morocco. All other properties are segmented in the "non-producing properties" category (i.e. referred to as Exploration, evaluation and development segment) for the three-month periods ended March 31, 2024 and 2023. The Corporate segment consists primarily of the Corporation's corporate assets including cash and cash equivalents, intercompany eliminations, and corporate expenses which are not allocated to operating segments.

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

			March 31, 2024
	Total non-current assets	Total assets	Total liabilities
	$	$	$
Production (Zgounder Silver Mine - Morocco)	189,889	232,638	117,348
Exploration, evaluation, and development (Morocco)	38,212	38,757	4,215
Exploration, evaluation, and development (Mauritania)	26,338	26,338	226
Corporate	20,509	97,853	919
Total per consolidated statement of financial position	**274,948**	**395,586**	**122,708**

			December 31, 2023
	Total non-current assets	Total assets	Total liabilities
	$	$	$
Production (Zgounder Silver Mine - Morocco)	172,143	217,790	100,569
Exploration, evaluation, and development (Morocco)	33,523	35,257	5,174
Exploration, evaluation, and development (Mauritania)	26,489	26,495	226
Corporate	20,503	53,515	1,952
Total per consolidated statement of financial position	**252,658**	**333,057**	**107,921**

Three-month periods ended March 31, 2024 and 2023		Revenue	Cost of sales	G&A expenses	Operating income (loss)
		$	$	$	$
Production (Zgounder Silver Mine)	**2024**	**5,077**	**4,741**	**285**	**51**
	2023	10,443	8,360	19	2,064
Exploration	**2024**	**-**	**-**	**176**	**(176)**
	2023	-	-	-	-
Corporate	**2024**	**-**	**-**	**2,744**	**(2,744)**
	2023	-	-	2,149	(2,149)
Consolidated	**2024**	**5,077**	**4,741**	**3,205**	**(2,869)**
	2023	10,443	8,360	2,168	(85)

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

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

The following is a breakdown of the nature of revenue included in silver sales for the three-month periods ended March 31, 2024 and 2023:

	Three-month periods ended March 31,	
Revenue from sales	**2024**	2023
	$	$
Ingots	**2,631**	3,473
Silver concentrate	**2,811**	7,770
Less: treatment, smelting, and refining costs	**(365)**	(800)
	5,077	10,443

The Corporation's sales are with two clients (2023 – two clients) located in Switzerland.

12. ADDITIONAL INFORMATION ON THE NATURE OF COST OF SALES

The following is a breakdown of the nature of cost of sales for the three-month periods ended March 31, 2024 and 2023:

	Three-month periods ended March 31,	
Cost of sales	**2024**	2023
	$	$
Consumables, supplies, services, and other expenses	**4,250**	6,171
Freight outbound	**74**	113
Royalties	**149**	314
Depreciation	**268**	1,762
	4,741	8,360

13. ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE LOSS COMPONENTS

The following is a breakdown of the nature of expenses included in general and administrative expenses and finance expense for the three-month periods ended March 31, 2024 and 2023:

	Three-month periods ended March 31,	
General and administrative expenses	**2024**	2023
	$	$
Salaries and benefits	**721**	283
Consulting fees	**540**	568
Investor relations	**325**	226
Depreciation	**21**	18
Office	**212**	138
Professional fees	**227**	174
Reporting issuer costs	**33**	79
	2,079	1,486

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

13. ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE LOSS COMPONENTS (continued)

	Three-month periods ended March 31,	
Finance income (expense)	**2024**	2023
	$	$
Change in fair value of options contracts	**37**	115
Interest income	**800**	544
(Loss) gain on foreign exchange	**(233)**	1,314
Accretion expense	**(30)**	(28)
	574	1,945

	Three-month periods ended March 31,	
Expenses recognized for employee benefits	**2024**	2023
	$	$
Salaries and bonuses	**2,807**	2,323
Fringe benefits costs	**365**	387
Post-employment benefits and short-term employee benefits	**146**	111
Post-employment benefits from government plans	**173**	74
Share-based payments (Note 9)	**1,127**	682
	4,618	3,577

14. CAPITAL MANAGEMENT

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

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

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 March 31, 2024 managed capital is $350,621 ($278,393 December 31, 2023) 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.

	March 31, 2024	December 31, 2023
	$	$
External debt	**82,109**	57,672
Equity	**268,512**	220,721
	350,621	278,393

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

15. FINANCIAL RISK MANAGEMENT

The Corporation is exposed to various financial risks resulting from both its operations and its investment activities. There were no changes to the financial objectives, policies and processes during the three-month periods ended March 31, 2024 and 2023. The Corporation's main financial risks exposure and its financial risks management policies are as follows:

Credit risk

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

Credit risk arises from the possibility that the clients which the Corporation sells its product to may experience financial difficulties and be unable to fulfil their obligations. The Corporation requires that it is paid the majority of what it is owed on transfer of property and deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. The Corporation monitors the credit risk of customers through credit rating reviews and constant communication with customers. The Corporation establishes an allowance for expected credit losses taking into account the credit risk of specific customers, historical trends and other information. As at March 31, 2024 and December 31, 2023, the Corporation sells its ingots and silver concentrated ore to a limited number of large customers and has never experienced a credit loss. Consequently, credit risk is considered to be limited. In management's opinion, the maximum credit risk exposure for all of the Corporation's current financial assets is the carrying value of those assets.

Commodity price risk

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

Liquidity risk

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

The following are the contractual maturities of financial liabilities and other liabilities, including interest where applicable as at March 31, 2024:

	Carrying Amount	Contractual cash flows	0-12 months	12-24 months	More than 24 months
	$	$	$	$	$
Accounts payable & accrued liabilities	34,971	34,971	34,971	-	-
Long-term debt (excluding interest)	82,109	85,000	-	12,143	72,857
Balance of purchase price payable	1,486	1,486	1,486	-	-
Lease liabilities	1,049	1,212	295	258	659
	119,615	**122,669**	**36,752**	**12,401**	**73,516**

The following are the contractual maturities of financial liabilities as at December 31, 2023:

	Carrying Amount	Contractual cash flows	0-12 months	12-24 months	More than 24 months
	$	$	$	$	$
Accounts payable & accrued liabilities	41,743	41,743	41,743	-	-
Long-term debt (excluding interest)	57,672	60,000	-	-	60,000
Balance of purchase price payable	1,516	1,516	1,516	-	-
Lease liabilities	1,120	1,293	290	257	746
	102,051	**104,552**	**43,549**	**257**	**60,746**

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

15. FINANCIAL RISK MANAGEMENT (continued)

Foreign currency risk

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

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

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

The fair value of option contracts, which represents the amount that would be received/(paid) by the Corporation if the contracts were terminated at March 31, 2024 was $78 ($(145) as at December 31, 2023). As a March 31, 2024, the Corporation had cash collateral balances related to option contracts being held of $2,250 ($2,250 as at December 31, 2023). They are reflected as part of restricted cash in escrow in the consolidated statement of financial position.

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

March 31, 2024	**USD**	**EUR**	**MAD**	**Total**
	$	**$**	**$**	**$**
Cash and cash equivalents	28,625	226	-	28,851
Accounts receivable	455	-	-	455
Long-term debt	(85,000)	-	-	(85,000)
Accounts payable and accrued liabilities	(4,463)	-	-	(4,463)
Balance of purchase price payable	-		(1,486)	(1,486)
	(60,383)	**226**	**(1,486)**	**(61,643)**

December 31, 2023	**USD**	**EUR**	**MAD**	**Total**
	$	**$**	**$**	**$**
Cash and cash equivalents	36,914	235	-	37,149
Accounts receivable	451	-	-	451
Long-term debt	(60,000)	-	-	(60,000)
Accounts payable and accrued liabilities	(5,457)	(5,692)	-	(11,149)
Balance of purchase price payable	-	-	(1,516)	(1,516)
	(28,092)	**(5,457)**	**(1,516)**	**(35,065)**

The impact on net earnings and equity of a 10% increase or decrease in foreign currencies on the Corporation's financial instruments based on balances on March 31, 2024 would be approximately $6,164 ($3,507 as December 31, 2023).

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

16. FINANCIAL INSTRUMENTS

The classification of financial instruments is summarized as follows, as at as at March 31, 2024 and December 31, 2023:

Financial Assets	Classification	March 31, 2024	December 31, 2023
		$	$
Cash and cash equivalents	Financial assets at amortized cost	**90,539**	49,830
Accounts receivable	Financial assets at amortized cost	**993**	607
Restricted cash	Financial assets at amortized cost	**20,509**	20,503
		112,041	70,940

Financial Liabilities	Classification	March 31, 2024	December 31, 2023
		$	$
Long-term debt (Note 7)	Financial liabilities at amortized cost	**82,109**	57,672
Accounts payable and accrued liabilities	Financial liabilities at amortized cost	**34,971**	41,743
Balance of purchase price payable	Financial liabilities at amortized cost	**1,486**	1,516
		118,566	100,931

Financial Assets	Classification	March 31, 2024	December 31, 2023
		$	$
Option contracts	Fair value through profit & loss	**78**	(145)
		78	(145)

Fair value of financial instruments

Current financial instruments that are not measured at fair value are represented by cash and cash equivalents, accounts receivable, restricted cash, accounts payable and accrued liabilities, balance of purchase price payable and long-term debt. Their carrying values are considered a reasonable approximation of their fair value because of their short-term maturity and/or of the contractual terms of these instruments which have not changed significantly since their inception date.

Foreign currency options contracts

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

Fair value hierarchy

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

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

(Expressed in thousands of US dollars unless otherwise noted - unaudited)

16. FINANCIAL INSTRUMENTS (continued)

As at March 31, 2024, the following represents the classification of fair value instruments:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Option contracts	-	78	-	78

As at December 31, 2023, the following represents the classification of fair value instruments:

	Level 1	Level 2	Level 3	Total
	$	$	$	$
Option contracts	-	(145)	-	(145)

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

17. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month periods ended March 31,	
	2024	2023
	$	$
Accounts receivable	**(386)**	(1,187)
Sales tax receivable	**4,383**	(946)
Inventories	**(2,644)**	(135)
Prepaid expenses and security deposits	**(27)**	451
Accounts payable and accruals	**(6,773)**	3,661
Income tax payable	**(3,836)**	364
Changes in working capital items	**(9,283)**	2,208
Non-cash transactions		
Additions of new right-of-use assets	**48**	646
Net change in deposits to suppliers for capital expenditures	**4,483**	-

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in thousands of US dollars unless otherwise noted - unaudited)

18. (LOSS) INCOME PER COMMON SHARE

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

The calculations for basic and diluted (loss) income per share for the three-month periods ended March 31, 2024 and 2023 are as follows:

	Three-month periods ended March 31,	
	2024	2023
	$	$
Net (loss) income	**(2,592)**	1,060
Weighted average number of shares – basic	**126,277,806**	114,693,572
Impact of dilutive securities		
Warrants	**-**	2,727,170
Stock options, RSUs and DSUs	**-**	5,281,373
Weighted average number of shares – diluted	**126,277,806**	122,702,115
(Loss) income per share – basic	**(0.02)**	0.01
(Loss) income per share – diluted	**(0.02)**	0.01

19. RELATED PARTY TRANSACTIONS

During the three-month periods ended March 31, 2024 and 2023, the following related party transactions occurred in the normal course of operations:

- Management and consulting fees to Groupe Conseils Group, La Salle Inc., a company owned by the President and Chief Executive Officer of $238 for the three-month period ended March 31, 2024 ($145 for the three-month period ended March 31, 2023). As at March 31, 2024, $123 (December 31, 2023 - $412) was due to that company;
- Management and consulting fees to SRG Guinee S.A.R.L., a wholly owned subsidiary of SRG Mining Inc, a public company of which the Corporation's Chief Executive Officer is also the Director and Executive Chairman of the Board, of $14 for the three-month period ended March 31, 2024 ($11 for the three-month period ended March 31, 2023). There were no outstanding balance payable as at March 31, 2024 and December 31, 2023.

Remuneration of key management personnel of the Corporation

Key management included members of the Board of Directors and executive officers of the Corporation. During the three-month periods ended March 31, 2024 and 2023, the remuneration awarded to key management personnel (including the amounts above) was as follows:

	Three-month periods ended March 31,	
	2024	2023
	$	$
Salaries and benefits	**301**	204
Management consulting and professional fees	**328**	216
Share-based compensation	**806**	474
	1,435	894