MANAGEMENT'S DISCUSSION AND ANALYSIS

For the quarter ended March 31, 2024

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 May 14, 2024, covers the three-month period ended March 31, 2024 and should be read in conjunction with the Corporation's Unaudited Condensed Interim Consolidated Financial Statements ("FS") and related notes for the three-month period ended March 31, 2024 and the audited consolidated financial statements and related notes for the year ended December 31, 2023.

The Corporation's March 31, 2024 FS have been prepared in accordance with IFRS Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). The FS and the financial information contained in this MD&A reflect management's best estimates and judgment based on information currently available. 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.

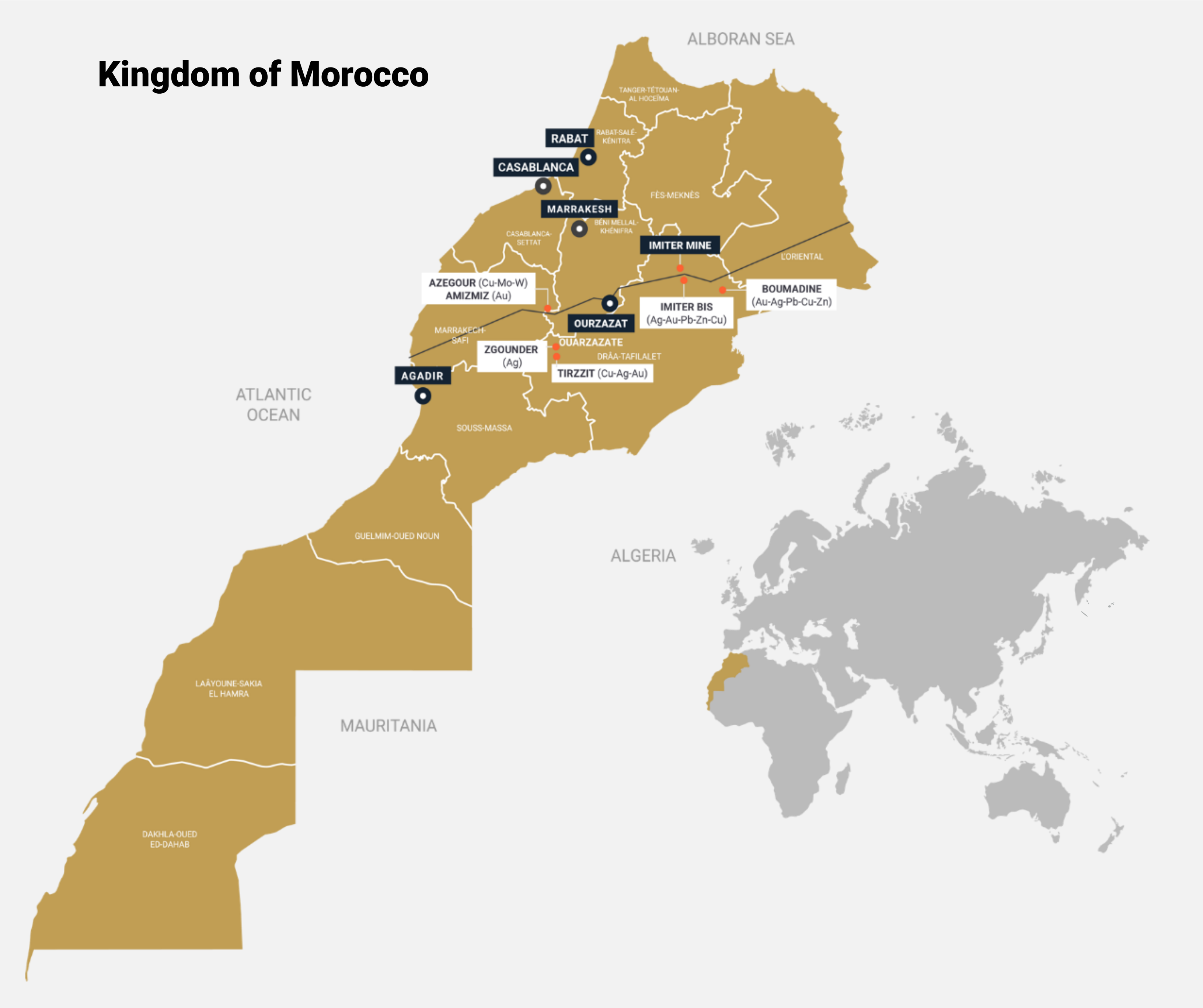
This MD&A contains forward-looking information that is subject to risk factors set out in a cautionary note in this MD&A under "Cautionary Statement Regarding Forward-Looking Information". All information contained in the FS and this MD&A has been reviewed by the Audit Committee and approved by the Corporation's Board of Directors. This MD&A is current as of May 14, 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, Tirzzit and Imiter bis properties. 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 130,068,603 common shares on May 14, 2024. The Zgounder Silver Mine is in operation while all other projects are at the exploration and evaluation stage.



Q1-2024 Highlights

Operational and Financial:

- Quarterly silver production of 366,362 ounces ("oz") compared to 474,813 oz in Q1-2023.
- Ore processed increased to 81,331 tonnes ("t") in Q1-2024 at a grade of 173 g/t compared to 72,737t in Q1-2023 at a grade of 235 g/t.
- 106,880t of ore mined in the quarter at a grade of 159 g/t for an average of 1,175 tonnes per day ("tpd").
- Revenue of $5.1 million, a 51% decrease from Q1-2023.
- Cash cost per silver ounce sold of $20.31 in Q1-2024 [(1)].
- Robust financial position with $111 million of cash, cash equivalents and restricted cash as at March 31, 2024, compared to $70.3 million as at December 31, 2023 [(2)].
- Received third tranche of the EBRD loan, worth $25 million, for a total of $85 million to date.
- The Corporation held 157,457 silver ounces in silver in concentrate in inventory as at March 31, 2024. The fair value of this inventory at March 31, 2024 was approximately $3.5 million.
- 2024 Guidance remains unchanged.

Expansion, Development and Exploration:

- Advanced expansion of Zgounder Mine to 89% completion and on schedule for Q2-2024 commissioning.
- Conducted 8,710 meters ("m") of diamond drill hole ("DDH") drilling at Zgounder.
- Completed 2,998m of DDH on Zgounder Regional.
- Continued development of Boumadine through 15,027m of DDH drilling and acquisition of six permits.
- Launched electromagnetic airborne geophysics campaigns on the Boumadine and Tirzzit properties using Expert Geophysics's MobileMT technology.

Environmental, Social and Governance ("ESG"):

- Provided 2,946 hours of training during the quarter and launched a new "safety dialogue" program.
- Advanced construction of the Zgounder 90km transmission line towards implementation of the renewable-energy power purchase agreement.
- Launched on-line school support for middle school children in the Zgounder project region.

February 2024 Corporate Financing

- 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.
- The proceeds from the financing are intended for the advancement of exploration and development programs at Boumadine, the exploration program at Zgounder Regional and other properties, as well as for working capital and general corporate purposes.

[(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 page 23 for a reconciliation of non-GAAP to GAAP measures.
[(2)] Non-GAAP Measures, consisting of cash and cash equivalents of $90,539 and restricted cash of $20,509 (December 31, 2023, balances of $49,830 and $20,503 respectively).

Recent Developments

Boumadine Mineral Resource Estimate

On April 16, 2024, the Corporation announced an updated NI 43-101-compliant Mineral Resource Estimate ("MRE") for its Boumadine project that incorporates drilling from 2018 to 2023. The MRE contains an Inferred Mineral Resource of 23.6 million tonnes ("Mt") at 85 grams per tonne ("g/t") silver ("Ag"), 2.62 g/t gold ("Au"), 2.32% zinc ("Zn") and 0.84% lead ("Pb") containing an estimated 64.7 million ounces ("Moz") of Ag, 1.98 Moz of Au, 546 thousand tonnes ("Kt") of Zn and 198 kt of Pb and an Indicated Mineral Resource of 2.0Mt at 113 g/t Ag, 2.51 g/t Au, 4.32% Zn and 1.07% Pb containing an estimated 7.4 Moz of Ag, 165 Koz of Au, 88 kt of Zn and 22 kt of Pb.

MRE Highlights:

- Indicated Mineral Resources of 2.0Mt at 113 g/t Ag, 2.51 g/t Au, 4.32% Zn and 1.07% Pb containing an estimated 7.4 Moz of Ag, 165 koz of Au, 88 kt of Zn and 22 kt of Pb.
- Inferred Mineral Resources of 23.6 Mt at 85g/t Ag, 2.62 g/t Au, 2.32% Zn and 0.84% Pb containing an estimated 64.7 Moz of Ag, 1.98 Moz of Au, 546 kt of Zn and 198 kt of Pb.
- 41% of the Inferred Mineral Resource is pit-constrained and reported above a cut-off net smelter royalty ("NSR") value of $95/t, and 59% deemed for underground development NSR cut-off value of $125/t.
- Additional Mineral Resource potential exists to expand the deposit in all directions for future Mineral Resource estimation. Less than 10% of the Boumadine land package has been drilled, and new targets are being generated by the ongoing geophysical airborne survey.
- 90% of the MRE is classified as Inferred, and the remaining 10% is in the Indicated category.
- The MRE database consists of 336 surface diamond drill holes totaling 96,301m.

Table 1 – Boumadine MRE, as of April 15, 2024 (1-12)

	Cutoff	Tonnes	Average Grade							Contained Metal						
			Ag	Au	Cu	Pb	Zn	**AgEq**	AuEq	Ag	Au	Cu	Pb	Zn	**AgEq**	AuEq
	NSR $/t	(kt)	(g/t)	(g/t)	(%)	(%)	(%)	**(g/t)**	(g/t)	(koz)	(koz)	(kt)	(kt)	(kt)	**(koz)**	(koz)
Pit-constrained Indicated	95	995	145	2.71	0.17	1.58	5.92	**634**	7.40	4,647	87	2	16	59	**20,299**	237
Pit-constrained Inferred	95	8,474	103	2.97	0.10	0.79	2.54	**475**	5.54	28,087	808	8	67	215	**129,478**	1,510
Out-of-pit Indicated	125	1,046	82	2.33	0.11	0.58	2.79	**402**	4.69	2,751	78	1	6	29	**13,533**	158
Out-of-pit Inferred	125	15,096	76	2.42	0.07	0.87	2.19	**389**	4.53	36,653	1,175	11	131	330	**188,663**	2,198
Total Indicated	95/125	2,042	113	2.51	0.14	1.07	4.32	**515**	6.01	7,398	165	3	22	88	**33,832**	395
Total Inferred	95/125	23,569	85	2.62	0.08	0.84	2.32	**420**	4.89	64,740	1,983	19	198	546	**318,141**	3,708

1. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. There is no certainty that Mineral Resources will be converted to Mineral Reserves.
2. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could be upgraded to an Indicated Mineral Resource with continued exploration.
3. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council, as may be amended from time to time.
4. A silver price of $21/oz with a process recovery of 89%, a gold price of $1,900/oz with a process recovery of 85%, a zinc price of $1.20/lb with a process recovery of 72%, a lead price of $1.00/lb with a process recovery of 85%, and a copper price of $4.00/lb with a process recovery of 75% were used in establishing the MRE.
5. AgEq = Ag(g/t) + (Au(g/t) *Au price/oz*Au recovery)/(Ag price/oz*Ag recovery) + Zn(%)*Zn price/lb* Zn recovery/(Ag price/oz*Ag recovery)*685.7147973 + Pb(%)*Pb price/lb* Pb recovery/(Ag price/oz*Ag recovery)*685.7147973 + Cu(%)*Cu price/lb* Cu recovery/(Ag price/oz*Ag recovery)*685.7147973

6. AuEq = Au(g/t) + (Ag(g/t) *Ag price/oz*Ag recovery)/(Au price/oz*Au recovery) + Zn(%)*Zn price/lb* Zn recovery/(Au price/oz*Au recovery)*685.7147973 + Pb(%)*Pb price/lb* Pb recovery/(Au price/oz*Au recovery)*685.7147973 + Cu(%)*Cu price/lb* Cu recovery/(Au price/oz*Au recovery)*685.7147973.
7. The constraining pit optimization parameters were $3/t for mineralized material mining, $2/t for waste mining, $89/t for processing and $6/t for G&A totaling $95/t for a cut-off and 50-degree pit slopes.
8. The out-of-pit parameters used a $30/t mining cost, $89/t processing cost and $6/t G&A totaling $125/t for a cut-off. The out-of-pit Mineral Resource grade blocks were quantified above the $125 NSR cut-off, below the constraining pit shell and within the constraining mineralized wireframes. Out–of-pit Mineral Resources exhibit continuity and reasonable potential for extraction by the long hole underground mining method.
9. Individual calculations in tables and totals may not sum due to rounding of original numbers.
10. Grade capping of 800 g/t Ag, 30 g/t Au, 28% Zn, 10% Pb and 1.4% Cu was applied to composites before grade estimation.
11. Bulk density was evaluated separately for each individual vein with values ranging from 3.20 to 4.00 t/m^3 determined from drill core samples and used for the MRE. For oxidized and transitional material, a bulk density of 2.65 t/m^3 was used.
12. 1.0 m composites were used during grade estimation.

Next Steps

Significant upside potential exists to expand the Boumadine Main Trend, which currently covers 4.2 square km and remains open in all directions. In 2024, the Corporation plans to mobilize seven drill rigs to complete a 120,000m drilling program. Half of the program will test the continuation of the known trend and infill. The remaining 50% will focus on geological targets generated in 2023 and will be informed by the ongoing hyperspectral and high-resolution geophysical surveys. A total of 12 new permits have been acquired in the vicinity of the Boumadine permits since June 2023. Hyperspectral and the geophysical surveys began in early 2024, and results are expected in 2024. The results from ongoing geology work will determine additional development work.

Qualified Person

The scientific and technical information contained in the section Boumadine Mineral Resource Estimate have been reviewed and approved by Eugene Puritch, P.Eng., FEC, CET, President of P&E Mining Consultants Inc., and an independent Qualified Person.

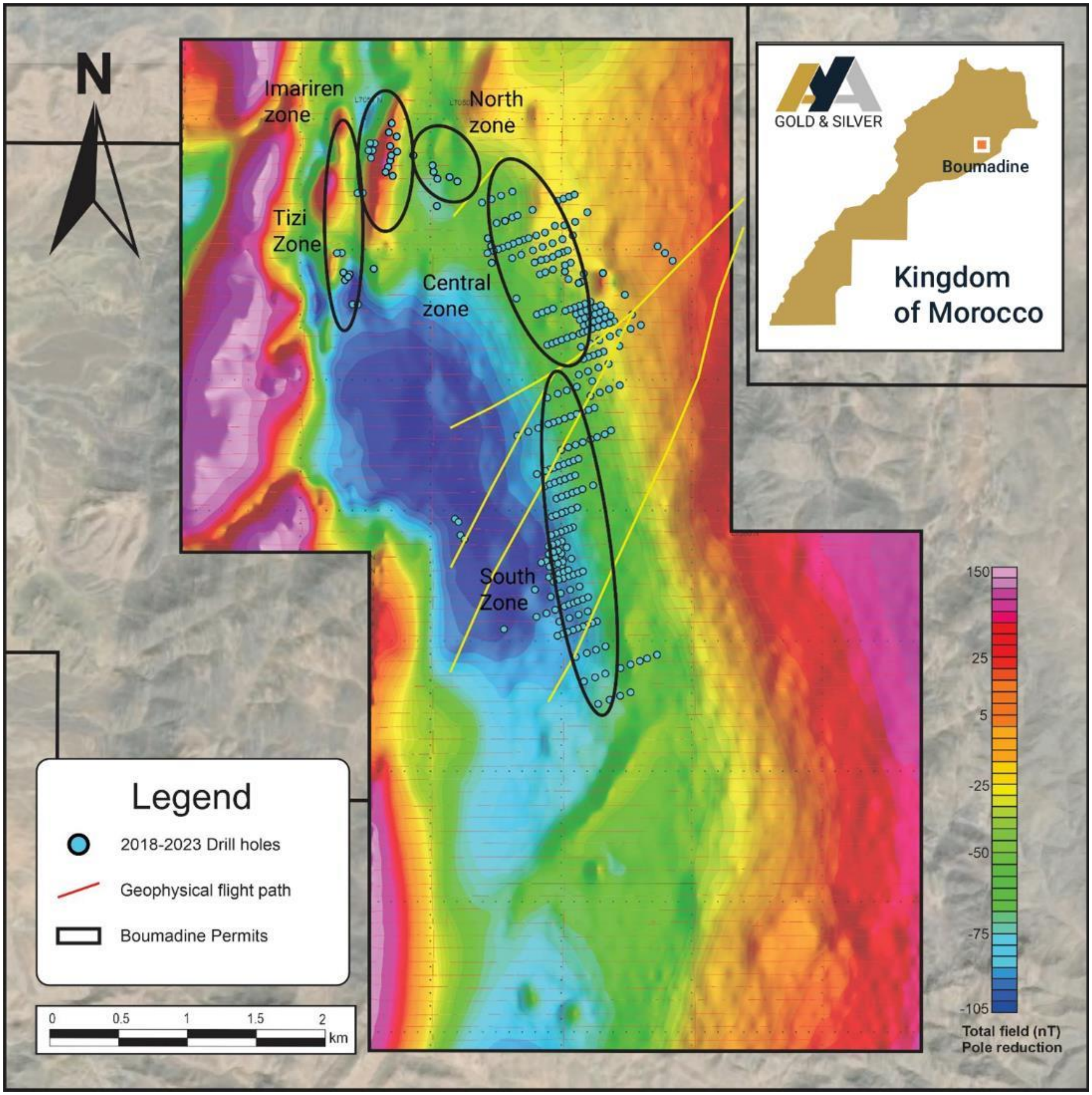


Figure 1 - Location of Zones Included in Boumadine Mineral Resource Estimate, with Drill Holes and Magnetic Data (Residual Total Field)

Q1-2024 Operational and Financial Highlights

	Three-month periods ended March 31,		
Key Performance Metrics	**2024**	**2023**	**Variation**
Operational			
Ore Mined (tonnes)	106,880	80,902	32%
Average Grade Mined (g/t Ag)	159	223	(29%)
Ore Processed (tonnes)	81,331	72,737	12%
Average Grade Processed (g/t Ag)	173	235	(26%)
Combined Mill Recovery (%)	81.8%	87.1%	(5.3%)
Silver Ingots Produced (oz)	111,497	168,648	(34%)
Silver in Concentrate Produced (oz)	254,865	306,165	(17%)
Total Silver Produced (oz)	**366,362**	**474,813**	**(23%)**
Silver Ingots Sold (oz)	108,604	149,915	(28%)
Silver in Concentrate Sold (oz)	129,662	358,289	(64%)
Total Silver Sales (oz)	**238,266**	**508,204**	**(53%)**
Avg. Net Realized Silver ($/oz)	21.31	20.55	4%
Cash Costs per Silver Ounce Sold [3]	20.31	14.56	39%
Financial			
Revenues	5,077	10,443	(51%)
Cost of Sales	4,741	8,360	(43%)
Gross Margin	336	2,083	(84%)
Operating Loss	(2,869)	(85)	3,275%
Net (Loss) Income	(2,592)	1,060	(345%)
Operating Cash Flows	(10,236)	4,063	(352%)
Cash and Restricted Cash [4]	111,048	90,999	22%
Total Assets	395,586	226,708	74%
Total Non-Current Financial Liabilities	82,109	-	100%
Shareholders			
(Loss) Earnings per Share – basic	(0.02)	0.01	NM
(Loss) Earnings per Share – diluted	(0.02)	0.01	NM

***NM** – Not Meaningful*

[3] 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 page 23 for a reconciliation of non-GAAP to GAAP measures.
[4] Non-GAAP Measures, consisting of cash and cash equivalents $90,539 and restricted cash of $20,509 (March 31, 2023, balances of $88,496 and $2,503 respectively).

Operating Results

Zgounder Silver Mine Operations

In Q1-2024, 22,229 tonnes of ore were mined from the open pit. As expected, the first benches of the open pit were lower grade and their mining exposed higher-grade zones. As per the mine sequence, higher-grade zones are being mined along with current zones which will result in higher average grade from the open pit throughout the remainder of the year. During the quarter, ore was mined from the open pit at an average strip ratio of 18, which is expected to decrease to 13 for the year. The open pit is mined using a mining contractor. To date, the contractor's performance and the costs associated to mining the open pit continue to plan.

The underground mining team worked on ore drives, identified new underground stopes, and improved old stopes to make them safe for operations in the quarter. They followed the Corporation's standard mining methods to achieve a high ore recovery. Several historical high-grade stopes are being completed with lower-grade extensions before the stopes are backfilled with cemented rock fill. The combination of these activities resulted in mining of lower grade ore during Q4-2023 and Q1-2024. Total mining rate for the quarter averaged 1,175 tpd, for a total of 106,880t of ore mined in the quarter. Overall, stockpiles were at 275,663t as at March 31, 2024. As planned, the mine capital development rate has been reduced to focus on ore drives. A total of 579m of lateral development was completed for the quarter.

In Q2, six stopes are in operation with more to be added throughout the year. Additional stopes are being defined, and historical stope rehabilitation continues. The team expects to reach higher grade stopes in the coming quarters as known, defined, vertical orebodies become accessible via the 1,925 level.

In Q1-2024, 81,331t of ore were processed. Total mill availability for the quarter was 96.3%. Mill feed grade was 173 g/t Ag, and recovery averaged 81.8%. The lower recovery rate was due to processing oxidized ore from the first benches of the open pit. Recoveries will return to historical levels once the surface oxidized ore is consumed and fresh ore is mined as the open pit progresses. In the new plant, recoveries for both the oxidized and fresh ore are expected to be equal. Total production of 366,362 oz was achieved in the quarter.

The Q1-2024 mining rate, grade, and mill recovery rate were factored into the 2024 guidance.

The annual safety program is ongoing with interdepartmental safety meetings solidifying best practices at Zgounder.

Figure 2 - Bird's Eye View of Zgounder Open Pit

Capital Projects

Capital projects in Q1-2024 were mainly related to the mine expansion and the new plant. Underground work involved lateral development, work on the mechanical workshop, and on the ore and waste chutes. Progress was made on the electrical and ventilation services. At surface, water wells were completed as a contingency measure. Construction continues on employee-focused infrastructure: employee rooms, underground changing rooms, and recreational spaces.

Development and Exploration

Zgounder Exploration

In Q1-2024, the Corporation maintained its focus on defining at-depth mineralization, with four underground rigs and one surface rig drilling a total of 8,710m of DDH on the Zgounder mining permit. A total of 15,000m for exploration is assigned to the Zgounder Mine permit in 2024 to follow up on underground targets generated by the 2023 program.

Preliminary results in the quarter continue to confirm high-grade silver mineralization near the granite contact. Holes ZG-SF-23-084 and ZG-SF-23-092 are hosted within the rhyolite, which was previously believed to be barren, opening a new area for exploration.

Zgounder Regional

A 10,000m drill program has been established for Zgounder Regional in 2024 with the aim of finding mineralization similar to Zgounder. Two surface rigs were mobilized during the quarter, carrying out a total of 2,998m on Zgounder East and Zgounder South targets adjacent to the mine. Results are pending.

Zgounder Construction

The Corporation is currently expanding the Zgounder Silver Mine from 700 tpd to 2,700 tpd processing capacity. At the end of Q1-2024, construction of the plant and surface infrastructure continued to track budget. Overall, the expansion project was 89% complete, compared to 80% at the end of Q4-2023.

- Mine expansion is fully funded.
- Mine expansion on track to begin commissioning in Q2-2024.
- Tailings and water storage facilities are complete.
- Processing plant is 87% complete.
- Electrical infrastructure is 90% complete.
- Underground development of 9,031m completed, 94% of the initial lateral development program.
- Approximately 83% of vertical development is complete.
- Production from the open pit is ongoing with 103,449 tonnes stockpiled.
- $132 million has been incurred and an additional $18 million has been committed.
- On target to complete expansion within the $159 million capital cost estimate.

Mine Development

All planned mine levels have been completed. Mine development is now focused on stope access, completing service installations and mechanical completion of the workshop and ore chutes. An additional ventilation raise will be constructed, and a raise-bore drill is being mobilized in Q2-2024 for the sub levels.

Construction of both surface and underground mine infrastructure, including workshops, warehouses, the backfill station, and the electrical substation is ongoing and will be ready for mine ramp-up in Q3-2024. Mining production was stable in Q1-2024. The ore stockpiled in 2023 allowed the team to mine at a steady pace in Q1-2024 and focus on new stope accesses.

Processing Plant

Plant civil and concrete works are 100% complete.

Construction of the cyanidation tanks is now complete. The structural, mechanical, and piping assembly is progressing well, with the assembly of the ball mill and Merrill-Crowe equipment nearing completion. The final structure and conveyor parts will be assembled in early Q2-2024, and mechanical completion is expected in Q2-2024.

Electrical installation has commenced, and the electrical contractor is fully mobilized on site. The installation of cable trays is well advanced, and cable and pipe laying has begun.

The Engineering, Procurement, and Construction ("EPC") contractor has completed the necessary procurement, and all outstanding items are in transit. The final electrical and piping material will be delivered to site in early Q2-2024, and their installation will be completed by end of Q2-2024. Commissioning activities are planned to start in Q2-2024, and ramp-up of production is planned for Q3-2024.

Figure 3 - Completion of the New Cyanidation Tanks at Zgounder

Infrastructure

At quarter-end, construction of the new assay laboratory was 89% completed, and its commissioning is planned in Q2-2024. Construction of the new warehouses and workshops are completed. On-site electrical distribution is nearing completion, with 95% of the on-site power lines completed, and 85% of the satellite electrical substation completed.

Construction of the main site electrical power substation building is now complete. The 90km, 60-kV powerline is advancing well and will be operational in Q2-2024 with reception from the state-owned operator beginning in early May.

The region's yearly rainfall season has begun. Water captured by the mine's dams is being pumped to the completed water storage basins for commissioning. Over 300,000m³ of water storage capacity has been built, sufficient to sustain operations during the dry season. At the end of April, over half of the total storage capacity had been filled on site and storage is proceeding as planned.

Operational Readiness

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

The EPC firm responsible for the plant construction has also mobilized senior engineers to support process engineering in preparation for commissioning.

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

During Q1-2024, the Corporation made a third drawdown on the project Facility worth $25 million. To date, a total of $85 million has been disbursed from the $100 million loan. Proceeds from drawdowns are used to further advance the Zgounder Mine expansion.

Figure 4 - Advancement of the Power Line Infrastructure

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

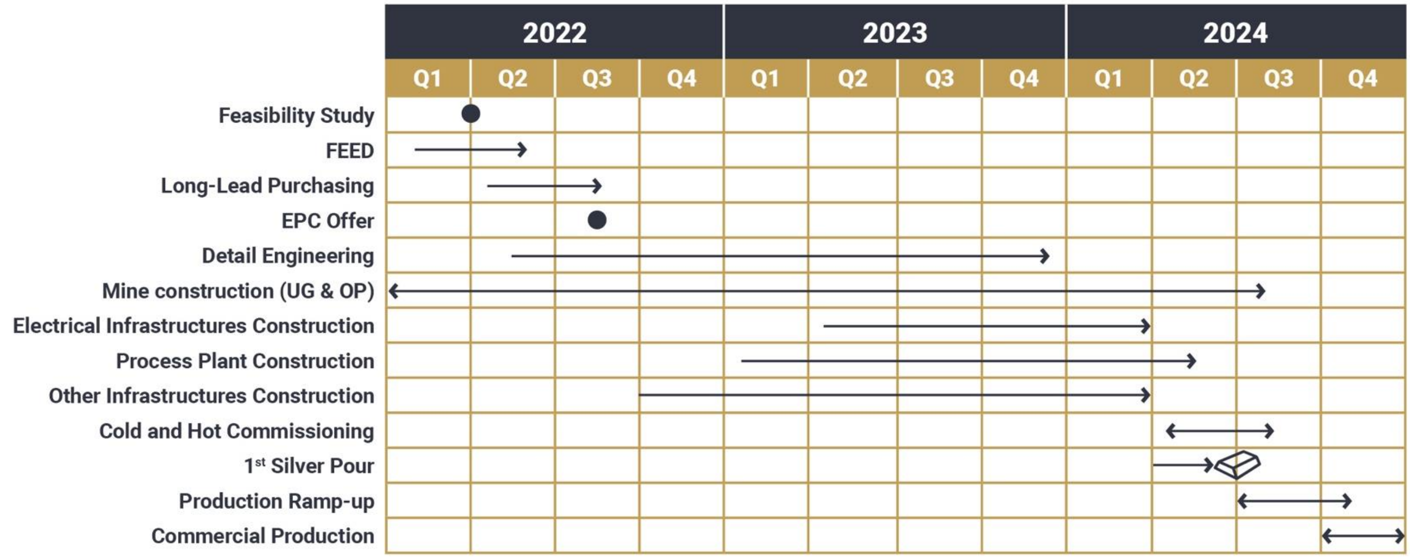


Figure 5 - Zgounder Expansion Project Execution Simplified Gantt Chart

The table below presents the construction progress by main project as at March 31, 2024:

Area	Progress
Processing Plant	87%
Underground and Open-Pit Mines	89%
Tailings	99%
Water Management	100%
Electrical Infrastructure	90%
On-site Infrastructure	90%

Boumadine Development

Through 2024, the Corporation plans to mobilize seven drill rigs to complete a 120,000m drill program at Boumadine. Half of the program will test the continuation of the known trend and carry out infill drilling. The remaining 50% will focus on geological targets generated by work completed in 2023 and will be informed by the ongoing hyperspectral and high-resolution geophysical surveys.

The first quarter saw the Corporation drill 15,027m DDH at Boumadine to explore along strike and test new targets. 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).

At the end of the first quarter, the Corporation had acquired six new exploration permits in the vicinity of the Boumadine Main Trend. These additions increase the Boumadine land package to 141 square km, a 346% increase compared to year-end 2023.

Following the success of the 2022 airborne geophysics survey, a new airborne electromagnetic survey of 6,500 linear km was launched in Q1-2024 using MobileMT technology. MobileMT, which was developed by Expert Geophysics, is in the field of Airborne Natural Source Audio Frequency Magnetotellurics, known as AFMAG. The technology expands the depth of investigation from near surface to >1km with high resolution description and provides resistivity contrasts between geological units in any direction including layered geology. These two components are important for Boumadine and Tirzzit.

On April 16, 2024, the Corporation announced a Mineral Resource Estimate for Boumadine which provides a strong baseline for continued exploration and development of the project (see section Recent Developments).

Figure 6 - Preparations for the MobileMt Airborne Geophysical Survey on Boumadine.

Tirzzit Exploration

Following its acquisition in Q2-2023, the Corporation reviewed historical data for the Tirzzit properties and launched a fieldwork program. During the first quarter, field work including a high-resolution MobileMT airborne survey and a hyperspectral survey, continued over the properties. A drill program is expected to commence in H2-2024.

Sustainability

During Q1-2024, the Corporation continued to implement its Environment and Social Management System ("ESMS"). The following activities occurred during the quarter:

- Provided 2,946 hours of health and safety training.
- Total Recordable Injury Frequency Rate ("TRIFR") of 9.82 compared to 8.46 in 2023.
- Signed contract for recycling of non-mining waste with certified contractor.
- Increased community outreach:
    - Education – Commenced online school support for local middle-school children and launched adult literacy classes.
    - Health – Organized second phase of audiology mobile clinic in 2 communes.
    - Livelihood projects – Carried out plot maintenance and development work and received visits at saffron community teaching farm.
    - Co-operative support – Assessed local co-operative governance with the aim of building resiliency and supported agricultural co-operative through training course.

Figure 7 - Literacy Classes for Female Community Members.

Overview of Financial Performance

For the three-month periods ended March 31, 2024 and 2023 (in thousands of dollars):

	Three-month periods ended March 31,			
	2024	2023	Variance	
Revenues	5,077	10,443	(51%)	(1)
Cost of sales	4,741	8,360	(43%)	(2)
Gross margin	336	2,083	(84%)	(3)
General and administrative expenses	2,079	1,486	40%	(4)
Share-based payments	1,126	682	65%	(5)
Operating loss	(2,869)	(85)	3,275%	
Net finance income	574	1,945	(70%)	(6)
Net (loss) income before income taxes	(2,295)	1,860	(223%)	
Income tax expense	297	800	(63%)	(7)
Net (loss) income for the period	(2,592)	1,060	(345%)	(8)
(Loss) income per share (diluted)	(0.02)	0.01	NM	(8)

NM *– Not Meaningful*

Three-month period ended March 31, 2024, compared to the three-month period ended March 31, 2023

1. **Revenues** totaled $5,077 in Q1-2024 compared to $10,443 in Q1-2023, driven by a 53% reduction in ounces sold, from 508,204 oz in Q1-2023 to 238,266 oz in Q1-2024. This decrease is mainly explained by the lower production during the quarter affected by the average processed grade that decreased by 26% from 235 g/t in Q1-2023 to 173 g/t in Q1-2024 and by an increase in silver concentrate inventory. 157,457oz of silver in concentrate inventory was converted to sales in Q2-2024. See Zgounder Silver Mine Operations and Financial Position sections on pages 10 and 22 for more detailed explanations.

2. **Cost of sales** in Q1-2024 decreased by 43% compared to Q1-2023, mainly driven by a decrease in depreciation expense since the estimation of useful lives of certain assets has been increased and revenues decreased. The increase in the value of the ore stockpile and the ore concentrate inventory also contributed to the lower cost of sales which is captured in the inventory.

3. **Gross margin** for the quarter decreased by 84%, driven primarily by the significant decrease in revenues (ounces sold) and higher costs of oz sold.

4. **General and administrative expenses** were 40% higher in Q1-2024 compared with Q1-2023. 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 affairs.

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 $1,126 in Q1-2024. The 65% increase in Q1-2024 compared to Q1-2023 is due to the compounding of RSUs from 2023 that were granted in Q2-2023 and the annual grant of RSUs for the year that were granted in Q1-2024.

6. **Net finance income** was 70% lower in Q1-2024 than in Q1-2023 due to a foreign exchange loss of $233 in Q1-2024 compared to a foreign exchange gain of $1,314 in Q1-2023. The loss in Q1-2024 is mostly caused by a deterioration of 2% of the MAD compared to the USD which is partially offset by an appreciation of 2% of the CAD compared to the USD. In Q1-2023, the gain was caused by an appreciation of 2% of the MAD compared to the USD in Morocco. The net decrease as a result of foreign exchange was partially offset by increased interest income in Q1-2024, which amounted to $800 compared to $544 in Q1-2023, due to a higher interest rate on accounts.

7. **Income tax expense** in Q1-2024 was 63% lower than in Q1-2023 due to a decrease in net taxable income at our Moroccan operating entity.

8. **Net (loss) income** of $(2,592) (diluted EPS of $(0.02)) was recorded in Q1-2024 compared to net income of $1,060 (diluted EPS of $0.01) in Q1-2023.

Summary of Quarterly Results

Selected quarterly information

	Revenues	Net Income (Loss)	Net Income (Loss) per share (diluted)
Quarter ended	**$**	**$**	**$**
March 31, 2024	5,077	(2,592)	(0.02)
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	10,443	1,060	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)

Revenues in Q1-2024 were $5,077 compared to $11,070 in Q4-2023.The Corporation sold 238,266 oz of silver in Q1-2024 compared to 507,635 oz of silver in Q4-2023. The average grade processed came in lower at 173 g/t in Q1-2024 compared to 239 g/t in Q4-2023. The Corporation increased its inventory of silver in concentrate by $1,830 in Q1-2024, affecting sales negatively during the quarter since fewer ounces were sold. As a result of lower revenues and higher G&A expenses, the Corporation recorded a loss of ($2,592) in Q1-2024 compared to $3,590 in Q4-2023.

The net income in Q4-2023 increased by 198% 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 [5] 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 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 [6] 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 Q3-2022.

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.

[5] Non-GAAP Measures, refer to page 23.
[6] Non-GAAP Measures, refer to page 23 .

Liquidity and Capital Resources

As at March 31, 2024, the Corporation had working capital of $83,943 compared to $33,704 as at December 31, 2023 (7) including cash and cash equivalents of $90,539 ($49,830 on December 31, 2023). 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.

The following table summarizes the Corporation's cash flow activity during the three-month periods ended March 31, 2024 and 2023:

	Three-month periods ended-March 31,	
Cash Flow	**2024**	**2023**
Operating cash flows before working capital	(953)	1,855
Change in non-cash operating working capital	(9,283)	2,208
Net cash flow (used in) from operating activities	(10,236)	4,063
Net cash flow used in investing activities	(25,806)	(18,806)
Net cash flow from financing activities	79,069	64,075
Effect of exchange rate changes on cash in foreign currencies	(2,318)	(196)
Net increase in cash and cash equivalents	**40,709**	**49,136**
Cash and cash equivalents, beginning of the period	49,830	39,360
Cash and cash equivalents, end of period	**90,539**	**88,496**

Operating

During the three-month period ended March 31, 2024, the Corporation used operating cash flows of $953 before working capital items, down $2,808, compared to $1,855 of operating cash flows generated for the same period last year. The decrease was driven by higher general and administrative charges of $2,079 in Q1-2024 compared to $1,486 in Q1-2023 while net (loss) income came in at $(2,592) compared to $1,060 in Q1-2023. The operating cash flow in Q1-2024 was negatively impacted by a decrease in working capital items of $9,283 mainly due to a reduction in accounts payable and accrued liabilities and income tax payable, as well as increases in inventories, accounts receivables and prepaid expenses and security deposits, and was partially offset by a decrease in sales tax receivables.

Investing

During the three-month period ended March 31, 2024, the Corporation used $25,806 in investing activities compared to $18,806 in Q1-2023. The increase is related to the acquisition of property plant and equipment, net of deposits to suppliers, for capital expenditures of $20,202 in Q1-2024 which is primarily related to the Zgounder expansion, compared to $11,306 in Q1-2023. This reflects the current stage of the Zgounder expansion compared to last year. Exploration and evaluation assets, mainly for the Boumadine project, were $5,604 in Q1-2024 compared to $4,975 in Q1-2023.

Financing

During the three-month period ended March 31,2024, the Corporation drew down $25,000 from the EBRD loan compared to $nil for the same prior-year period. The proceeds have been solely used for the Zgounder expansion. Lease liabilities payments between Q1-2024 and Q1-2023 were at a comparable level.

During the period ended March 31, 2024, stock options were exercised for proceeds totaling $101, compared to $nil for the same period in 2023. In addition, during Q1-2024 the Corporation closed an equity financing and issued 7,573,900 common shares of the Corporation at C$10.25 per common shares for net proceeds of $54,081 compared to an equity financing of $64,712 in Q1-2023.

(7) Non-GAAP Measures, consisting of current assets of $120,638 less current liabilities of $36,695 (December 31, 2023, current assets of $80,399 less current liabilities of $46,695).

Use of Proceeds

February 14, 2024 Financing

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 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 March 31, 2024, compared to the budgeted amounts initially set out in the prospectus:

Principal use	Earmarked usage $ (million)	Actual usage $ (million)
Boumadine exploration and development	36.9	3.9
Zgounder regional and other projects	4.4	0.4
General corporate purposes (8)	16.0	3.7
Total	**57.3**	**8.1**

Financing Sources

Financing sources for amounts received during the last 8 quarters				
Date	**Type**	**Financings**	**Gross Amounts ($)**	**General description of the use of proceeds**
Feb 14, 2024	Short Form Prospectus	Common shares	57,297	The net proceeds of the financing after financing costs, are being used for the exploration and development of Boumadine, for Zgounder Regional exploration programs and for general corporation purposes.
Jan 25, 2023	Short Form Prospectus	Common shares	68,766	The net proceeds of the financing after 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 were used for the expansion of the Zgounder Mine, for advancement of other properties and for general corporation purposes.
From Oct 13, 2022 to Jan 25, 2024	Options exercised	Common shares	2,371	The net proceeds from the exercise of options were used to fund general administrative expenses, investing activities and other working capital needs.

(8) Includes $3.2 million in share issue costs related to the February 14, 2024 C$77.6 million financing.

Financial Position

The following table details the changes to the statements of financial position as at March 31, 2024, compared to December 31, 2023:

	As at March 31, 2024	As at December 31, 2023	Variance
Cash and cash equivalents	90,539	49,830	82%
Accounts receivable	993	607	64%
Sales taxes receivable	6,423	10,806	(41%)
Income tax receivable	778	-	NM
Inventories	19,454	16,810	16%
Prepaid expenses and security deposits	2,373	2,346	1%
Options contracts	78	-	NM
Total current assets	120,638	80,399	50%
Restricted cash	20,509	20,503	0%
Deferred financing fees	716	1,888	NM
Non-refundable deposits to suppliers	3,652	8,136	(55%)
Deferred income tax	605	617	NM
Property, plant, and equipment	184,916	161,502	14%
Exploration and evaluation assets	64,550	60,012	8%
Total assets	395,586	333,057	19%
Total current liabilities	36,695	46,695	(21%)
Lease liabilities	811	887	(9%)
Long-term debt	82,109	57,672	42%
Asset retirement obligations	3,093	2,667	16%
Total liabilities	122,708	107,921	14%
Total equity	272,878	225,136	21%
Total liabilities and equity	395,586	333,057	19%

***NM:** *Not Meaningful*

Assets

The change in the Corporation's cash and cash equivalents balance on March 31, 2024 compared to the amount held on December 31, 2023, is detailed in the section Liquidity and Capital Resources.

The decrease in sales taxes receivable from December 31, 2023 to March 31, 2024 of $4,383 is related to a reimbursement of $5,929 received during the quarter combined with the increase of $1,546 mainly related to the Zgounder expansion. The Corporation sales tax receivable collection cycle has been reduced significantly in 2024.

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 Q2-2024 and stabilize in Q3-2024 to maintain a security stock of 3-5 months of production.

The silver in concentrate inventory has been increased by $1,830 in Q1-2024 for logistical reasons and the inventory of silver in concentrate for 157,457oz was converted to sales in Q2-2024.

The addition of $778 in income tax receivable is related to installments done in Q1-2024 calculated based on last year taxable income.

The change in non-current assets balance on March 31, 2024, compared to the amount held on December 31, 2023, is detailed in the Liquidity and Capital Resources section.

Liabilities and Equity

The current liabilities have been reduced by $10,000 between Q1-2024 and December 31, 2023. Lower total of current liabilities between Q1-2024 and December 31, 2023, is mainly due to the decrease in accounts payables and accrued liabilities of $6,772 since the

Corporation reduced its payable after the third drawdown of $25 million was received and a reduction in income taxes payable of $3,058 since the outstanding balance at year end has been paid in Q1-2024.

The lease liabilities and the balance of purchase payable stayed at comparable levels between Q1-2024 and December 31, 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 $24,437 in external debt is related to the EBRD Facility (See Project Facility for Zgounder Silver Mine Expansion and Note 7 of the FS).

The change in total equity is mainly attributable to net loss during the quarter ended March 31, 2024, and the financing of C$77.6 million ($57.3 million) completed in February 2024 (See February 2024 Corporate Financing). In addition, 95,000 stock options with a strike price of C$1.43 were exercised during the quarter.

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 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.

	As at March 31, 2024	As at December 31, 2023
Long-term debt	82,109	57,672
Equity	268,512	220,721
	350,621	278,393

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 March 31, 2024:

	0-12 months	12-24 months	More than 24 months	Total
	$	$	$	$
Accounts payable and accrued liabilities	34,971	-	-	34,971
Long-term debt	-	12,143	72,857	85,000
Balance of purchase price payable	1,486	-	-	1,486
Lease liabilities, including future interest	295	258	659	1,212
	36,752	**12,401**	**73,516**	**122,669**

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 $81 million based on closing rates as at March 31, 2024. As at March 31, 2024, the Corporation recorded $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 (see section Project Facility for Zgounder Silver Mine Expansion).

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 $149 for the three-month period ended March 31, 2024 respectively ($314 for the three-month period ended March 31, 2023, 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.

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;
- $2,000,000 to ANARPAM at the commencement of production; and
- $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 March 31, 2024.

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 March 31,	
Zgounder Silver Mine – Morocco	**2024**	**2023**
Cost of sales [9]	4,741	8,360
Depreciation	(268)	(1,762)
Cost of sales, excluding depreciation	**4,473**	**6,598**
Add:		
Smelting, refining and transport costs [10]	365	800
Adjusted operating cash costs (A)	**4,838**	**7,398**
Silver ounces sold (B)	**238,266**	**508,204**
Cash cost per silver ounce sold (A/B)	**20.31**	**14.56**

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 March 31, 2024	As at December 31, 2023
Cash and cash equivalents	90,539	49,830
Undrawn amount under credit facility	15,000	40,000
Available liquidity	**105,539**	**89,830**

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. See "Risk Factors" in the Corporation's Annual Information Form for the year ended December 31, 2023 for risk factors affecting the Corporation generally.

[9] As per note 12 of the FS for the total cost of sales.
[10] As per note 11 of the FS for treatment, smelting and refining costs reported as net of sales.

Financial Instruments and Risk Management

Disclosure and description of the Corporation's capital management, financial risk management and financial instruments in notes 14, 15 and 16 of the FS for the quarter ended March 31, 2024 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	4,291,334	1.43
March 3, 2031	359,667	4.75
May 12, 2031	333,400	7.69
	4,984,401	

Outstanding Share Data

	Number of shares outstanding (diluted)
Outstanding as of May 14, 2024	130,068,603
Shares reserved for issuance pursuant to share purchase options	4,984,401
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

As at March 31, 2024, 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 three-month period ended March 31, 2024 and the year ended December 31, 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).

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 payments	806	474
	1,435	894

Accounting Policies, Judgments and Estimates

Critical Accounting Judgments and Estimates

The preparation of unaudited condensed interim 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 FS for the three-month periods ended March 31, 2024 and 2023, the Corporation applied the critical judgments and estimates disclosed in note 4 of its audited consolidated financial statements for the year ended December 31, 2023.

Proposed Transaction

As at March 31, 2024, 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.

Since the December 31, 2023 evaluation, there have been no material changes to the Corporation's disclosure controls and procedures.

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 quarter ended March 31, 2024, 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 unaudited interim condensed 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 FS were the same as those described in note 4 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" 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 quarter ended March 31, 2024, 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.