

# Aya Gold & Silver: Record 2023 Production, Revenue and Operating Cash Flow

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MONTREAL, March 28, 2024 - [Aya Gold & Silver Inc.](#) (TSX: AYA, OTCQX: AYASF) ("Aya" or the "Corporation") is pleased to announce financial and operational results for the fourth quarter and year ended December 31, 2023. All amounts are in US dollars, unless otherwise stated.

## Annual Highlights

- Exceeded 2023 production guidance with silver production of 1.97 million ounces ("oz"), a 5% increase from 2022.
- Ore processed of 281,634 tonnes ("t") in 2023, a 10% increase from 254,976t in 2022.
- 493,340t of ore mined in 2023 for an average of 1,352 tonnes per day ("tpd"), a 79% increase from ore mined in 2022.
- Revenue of \$42.8 million in 2023, a 12% increase from 2022.
- Beat 2023 cash cost guidance by 13% with cost per silver ounce sold of \$12.50 in 2023 <sup>(1)</sup>.
- Cash flow generated by operating activities increased to \$21.2 million in 2023, or a 120% increase from \$9.6 million in operating cash flow generated in 2022.
- Robust financial position with \$70.3 million of cash, cash equivalents and restricted cash as at December 31, 2023, compared to \$41.8 million as at December 31, 2022 <sup>(2)</sup>.
- Advanced expansion of Zgounder Mine on budget and on schedule for Q2-2024 commissioning.
- Conducted 17,752 meters ("m") of diamond drill hole ("DDH") drilling at Zgounder.
- Completed 10,900m of DDH on Zgounder Regional and acquired 4 new permits, one of which has a historical copper mine.
- Advanced development of Boumadine through 74,295m of DDH drilling, initial metallurgical test work, and acquisition of five permits.
- Signed a renewable-energy Power Purchase Agreement for Zgounder expanded operations and advanced construction of its electrical infrastructure towards operationalization in Q2-2024.
- Published inaugural Climate Action Report in alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD"), instituted new corporate policies, and reported performance to the 2023 S&P Global Corporate Sustainability Assessment.
- Ranked 14th on the 2023 TSX30 as a top-performing stock with a 3-year appreciation of 498%.
- Ranked 12th in the 2024 OTCQX Best 50, a list of top-performing stocks traded on the OTCQX Best Market in 2023.

## 2024 Outlook and Year So Far

- Successfully completed a C\$77.6 million (\$57.3 million) bought-deal public financing.
- Drew down \$25 million from \$100 million project facility for Zgounder Mine expansion, with \$85 million disbursed to date.
- 2024 guidance of between 2.6 and 3.2 million oz production at cash cost of between \$13.00 and \$14.50/oz.
- 2024 exploration budget of \$36 million, prioritizing Boumadine (120,000m), Zgounder (15,000m), and Zgounder Regional (10,000m).

"2023 was a year of strategic growth and investment in which we either delivered or exceeded our guidance, expansion, exploration, financing, and sustainability objectives. Zgounder delivered record silver production and throughput at industry-low cash costs, generating record cash flow and positioning us for the final year of expansion," said Benoit La Salle, President and CEO. "Our 2023 drill program was also very successful, especially at Boumadine and Zgounder at-depth, which we will develop at an even faster pace going forward."

While we remain focused on commissioning and ramping up Zgounder on time and on budget in this transition year, we have already doubled and started an ambitious exploration program at Boumadine. We believe that Boumadine's upcoming resource estimate, together with its 120,000m drill program, will

represent a first step in our vision of developing Boumadine into a cornerstone asset.

We are proud to start the year with a net cash balance of \$70 million, fully funded to deliver on our 2024 objectives. This does not include our recent oversubscribed equity financing, which allows us to accelerate our growth plan at Boumadine. Zgounder will shortly be connected to the clean-energy power line, clearing the way for achieving our 2025 decarbonization targets. We expect our dedicated teams to achieve full production at Zgounder before year-end and to further expand reserves and resources through exploration. 2024 will be another milestone year for Aya."

## 2023 Operational and Financial Highlights

Key Performance Metrics	Three-month periods ended December 31,			Years ended December 31,		
	2023	2022	Variation	2023	2022	Variation
<b>Operational</b>						
Ore Mined (t)	176,208	78,415	125%	493,340	276,013	79%
Average Grade Mined (g/t Ag)	201	319	(37%)	213	255	(16%)
Ore Processed (t)	66,449	63,283	5%	281,634	254,976	10%
Average Grade Processed (g/t Ag)	239	364	(34%)	250	265	(6%)
Mill Recovery (%)	86.7%	89.9%	(3.2%)	86.9%	86.6%	0.3%
Silver Ingots Produced (oz)	173,117	327,625	(47%)	740,236	855,351	(13%)
Silver in Concentrate Produced (oz)	276,929	333,996	(17%)	1,230,410	1,025,356	20%
Total Silver Produced (oz)	450,046	661,621	(32%)	1,970,646	1,880,707	5%
Silver Ingots Sold (oz)	206,731	350,943	(41%)	726,395	921,242	(21%)
Silver in Concentrate Sold (oz)	300,904	318,563	(6%)	1,285,949	1,013,912	27%
Total Silver Sales (oz)	507,635	669,506	(24%)	2,012,344	1,935,154	4%
Avg. Net Realized Silver (\$/oz)	21.81	19.90	10%	21.29	19.76	8%
Cash Costs per Silver Ounce Sold <sup>(3)</sup>	13.69	10.94	25%	12.50	12.63	(1%)
Key Performance Metrics	Three-month periods ended December 31,			Years ended December 31,		
	2023	2022	Variation	2023	2022	Variation
<b>Financial (in '000s of \$)</b>						
Revenues	11,070	13,322	(17%)	42,849	38,245	12%
Cost of Sales	6,276	8,603	(27%)	27,042	27,961	(3%)
Gross Margin	4,794	4,719	2%	15,807	10,284	54%
Operating Income	1,399	2,914	(52%)	4,931	1,840	168%
Net Income	3,590	1,964	83%	5,332	1,398	281%
Operating Cash Flows	5,677	3,639	56%	21,191	9,649	120%
Cash and Restricted Cash <sup>(4)</sup>	70,333	41,849	68%	70,333	41,849	68%
Total Assets	333,057	156,804	112%	333,057	156,804	112%
Total Non-Current Financial Liabilities	57,672	-	100%	57,672	-	100%
<b>Shareholders (in \$)</b>						
Earnings per Share - basic	0.03	0.02	NM	0.05	0.01	NM
Earnings per Share - diluted	0.03	0.02	NM	0.04	0.01	NM

## 2023 Annual Financial & Operational Highlights (in '000s of \$)

- Record silver production of 1,970,646 oz, of which 1,230,410 oz as silver concentrate and 740,236 oz as silver ingots, in 2023.
- Mill average processed grade of 250 g/t Ag was recorded in 2023 compared to 265 g/t Ag in 2022, a decrease of 6%.
- Milling operations averaged 772 tpd in 2023 compared to 699 tpd in 2022, an increase of 10%.

- Average combined mill recovery of 86.9% in 2023 compared to 86.6% in 2022.
- Plant availability reached 91.6% and 95.6% for the flotation and cyanidation plants, respectively.
- Cost of sales of \$27,042 (2022 - \$27,961) with an average cash cost per silver ounce sold of \$12.50/oz in 2023 compared to \$12.63/oz in 2022 <sup>(5)</sup>.
- Revenue from silver sales for 2023 totaled \$42,849 (2022 - \$38,245), an increase of 12% representing an average realized price of \$21.29 per oz. (2022 - \$19.76/oz).
- Operations generated a gross margin of \$15,807 in 2023 compared to \$10,284 in 2022, an increase of 54%.
- Net income was \$5,332 (diluted EPS of \$0.04) in 2023, compared to a net of \$1,398 (diluted EPS of \$0.01) in 2022.

#### Fourth Quarter 2023 Financial & Operational Highlights (in '000s of \$)

- Quarterly silver production of 450,046 oz, comprising 276,929 oz as silver concentrate and 173,117 oz as silver ingots.
- Mill average processed grade of 239 g/t Ag was recorded in Q4-2023 compared to 364 g/t Ag in Q4-2022, a decrease of 34%.
- Milling operations reached 722 tpd, continuing to surpass design capacity of 700 tpd.
- Average combined mill recovery of 86.7% in Q4-2023 compared to 89.9% in Q4-2022, a decrease of 3.2%.
- Plant availabilities reached 86.7% and 96.0% for the flotation and cyanidation plants, respectively.
- Cash flow generated by operating activities of \$5,677 in Q4-2023, compared to \$3,639 million generated in operating cash flow in Q4-2022.
- Revenue from silver sales totaled \$11,070 (Q4-2022 - \$13,322) in Q4-2023, a decrease of 17% representing an average realized price of \$21.81 per oz. (Q4-2022 - \$19.90/oz).
- Operations generated a gross margin of \$4,794, in Q4-2023 compared to \$4,719 in Q4-2022, an increase of 2%.
- Net profit was \$3,590 (diluted EPS of \$0.03) in Q4-2023, compared to net earnings of \$1,964 (diluted EPS of \$0.02) in Q4-2022.

#### 2023 Operations Review

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

In Q4-2023, 66,449t of ore were processed, adding over 113Kt of ore to inventory, in line with the 2024 commissioning plan. The December mill shutdown lowered total availability to 91.3% for the quarter. The ore that went into the mill had 239 g/t Ag, and the extraction process recovered 86.7% of it for a total production of 450,046 oz in the quarter.

For 2023, steady throughput, head grade, recovery and availability of both plants resulted in total silver production of 1,970,646 oz, beating guidance. Overall, 281,634t were processed in 2023 at a grade of 250 g/t Ag, with combined recovery of 86.9% and availability of 93.6%.

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

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

#### Zgounder Development

At year-end 2023, construction of the plant and surface infrastructure continued to track budget. Overall, the expansion project was 80% complete, compared to 60% at the end of Q3-2023.

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

#### Operational Readiness

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

Mining at from the open pit continues, and a total of 250,114t had been stockpiled at year-end 2023 for commissioning of the new mill.

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

The table below presents construction progress by main project area:

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

*Figure 1 - Ongoing Installation of the Ball Mill*

#### 2023 Exploration Campaign

##### Zgounder

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

##### Zgounder Regional

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

Subsequently, the 2023 regional campaign was re-oriented to test the potential continuation of the Zgounder

deposit east of the granophyre; to test the southern contact of the rhyolite and a new target in the Tournchkal area. At year-end, 10,900m had been drilled, including a total of 920m on Tournchkal.

During the year, the Corporation continued to consolidate its land position at Zgounder, boosting its total package by 20% to 354 km<sup>2</sup>. Four new exploration permits were acquired as part of a reallocation of exploration permits by the Moroccan Directorate of Mines.

## Boumadine

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

In July 2023, the Boumadine drill program was more than doubled to total 74,295m in 197 DDH to carry out infill and exploration drilling along strike including on new targets. At year-end, drilling had extended the strike length of the Main Zone to over 4.2 km. Results continued to confirm the continuity and extension of the mineralized footprint of the Boumadine Main Zone, which remains open in all directions. Furthermore, holes BOU-DD23-223 and BOU-DD23-218 confirmed high-grade mineralization and continuity to the south and north of the Main Trend, respectively.

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

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

In 2023, the Corporation continued to shore up its Boumadine land holdings through the acquisition of five permits. Its Boumadine land package increased by 209% to total 97.8 km<sup>2</sup> by year-end 2023.

The technical information relating to Zgounder, Zgounder Regional and Boumadine properties was reviewed and approved by David Lalonde, B. Sc, Head of Exploration, designated as a Qualified Person under National Instrument 43-101.

## 2024 Zgounder Guidance

Zgounder	2024 Guidance
Silver production (M oz Ag)	2.6 - 3.2
Silver cash cost (\$/oz) <sup>(6)</sup>	13.00 - 14.50
Recovery (%)	85 - 86
Tonnes processed ('000 t)	425 - 485
Average grade processed (g/t Ag)	215 - 240
Exploration & development (\$ million)	36

The Corporation expects 2024 production from Zgounder to range between 2.6 and 3.2 million silver oz at a cash cost of between \$13.00 - \$14.50/oz. The increase in cost is due to the lower grades at the mills in 2024, the additional development work needed in 2024, and the additional costs associated to the start-up of the expansion. It is also in conjunction with a higher silver price. The following metal prices and foreign currency assumptions were used in the guidance: USD/CAD 1.39; and USD/MAD 10.50.

## 2024 Exploration Program Primarily Focused on Growth

An exploration budget of \$36 million has been set for 2024, focusing on Boumadine (120,000m), Zgounder

(15,000m), and Zgounder Regional (10,000m).

At Boumadine, 50% of the drilling will focus along the Main Trend to continue extending the known mineralization trend along strike and at depth and to infill known areas as the project advances towards a preliminary economic assessment. The remaining 60,000m of drilling is greenfield exploration designed to test geological hypotheses and drill targets generated from the past two years of work. A large airborne geophysics campaign is being flown over a large area of the Corporation's permits and immediately around its permits. A mineral resource estimate for Boumadine is expected in H1-2024 that will incorporate drilling data from 2018 through 2023.

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

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

#### 2024 Sustainability Outlook

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

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

#### Q4-2023 Conference Call

The Corporation will hold a conference call on March 28, 2024 at 9 am EDT to discuss its Q4 and full-year 2023 financial and operational results. The webcast can be accessed as follows:

- Via webcast: <https://edge.media-server.com/mmc/p/akq33365>
- Via conference call dial-in as below:
  1. All parties must register on the link below to participate in the conference call.
  2. Register by clicking <https://register.vevent.com/register/BI6da35ce6d637401a9ff4cdd081833fb6> and completing the online registration form.
  3. Once registered, you will receive the dial-in numbers and PIN number for input at the time of the call.

The live webcast will be archived and will be available for replay. Presentation slides that will accompany the conference call will also be posted on Aya's website.

#### Change in Transfer Agent

The Corporation also announces that TSX Trust Company ("TSXT") has replaced Computershare Trust Company of Canada as its registrar and transfer agent. Shareholders need not take action in respect of the change in transfer agent and registrar.

## About Aya Gold & Silver Inc.

[Aya Gold & Silver Inc.](#) is a rapidly growing, Canada-based silver producer with operations in the Kingdom of Morocco.

The only TSX-listed pure silver mining company, Aya operates the high-grade Zgounder Silver Mine and is exploring its properties along the prospective South-Atlas Fault, several of which have hosted past-producing mines and historical resources. Aya's Moroccan mining assets are complemented by its Tijirit Gold Project in Mauritania, which is being advanced to feasibility.

Aya's management team is focused on maximising shareholder value by anchoring sustainability at the heart of its operations, governance, and financial growth plans.

## Forward-Looking Statements

This press release contains certain statements that constitute forward-looking information within the meaning of applicable securities laws ("forward-looking statements"), which reflects management's expectations regarding Aya's future growth and business prospects (including the timing and development of new deposits and the success of exploration activities) and other opportunities. Wherever possible, words such as "exceed", "continue", "expected", "improve", "track", "confident", "will", "plan", "guidance", "continue", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might", "will", or are "likely" to be taken, occur or be achieved, have been used to identify such forward-looking information. Specific forward-looking statements in this press release include, but are not limited to, statements and information with respect to the exploration and development potential of Zgounder and the conversion of Inferred Mineral Resources into Measured and Indicated Mineral Resources, future opportunities for enhancing development at Zgounder, executing on the planned expansion at the Zgounder mine, and timing for the release of the Company's disclosure in connection with the foregoing. Although the forward-looking information contained in this press release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, Aya cannot be certain that actual results will be consistent with such forward-looking information. Such forward-looking statements are based upon assumptions, opinions and analysis made by management in light of its experience, current conditions, and its expectations of future developments that management believe to be reasonable and relevant but that may prove to be incorrect. These assumptions include, among other things, the closing and timing of financing, the ability to obtain any requisite governmental approvals, the accuracy of Mineral Reserve and Mineral Resource Estimates (including, but not limited to, ore tonnage and ore grade estimates), silver price, exchange rates, fuel and energy costs, future economic conditions, anticipated future estimates of free cash flow, and courses of action. Aya cautions you not to place undue reliance upon any such forward-looking statements. The risks and uncertainties that may affect forward-looking statements include, among others: the inherent risks involved in exploration and development of mineral properties, including government approvals and permitting, changes in economic conditions, changes in the worldwide price of silver and other key inputs, changes in mine plans (including, but not limited to, throughput and recoveries being affected by metallurgical characteristics) and other factors, such as project execution delays, many of which are beyond the control of Aya, as well as other risks and uncertainties which are more fully described in Aya's 2023 Annual Information Form dated March 28, 2024, and in other filings of Aya with securities and regulatory authorities which are available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Aya does not undertake any obligation to update forward-looking statements should assumptions related to these plans, estimates, projections, beliefs and opinions change. Nothing in this document should be construed as either an offer to sell or a solicitation to buy or sell Aya securities. All references to Aya include its subsidiaries unless the context requires otherwise.

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(1) The Corporation reports non-GAAP measures, including cash costs per silver ounce and available liquidity, which are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and the methods used by the Corporation to calculate such measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 27-28 of the Corporation's Q4-2023 MD&A for a reconciliation of non-GAAP to GAAP measures.

(2) Non-GAAP Measures consisting of cash and cash equivalents of \$49.8 million and restricted cash of \$20.5 million (December 31, 2022 balances of \$39.3 million and \$2.5 million respectively).

(3) See Footnote (1) on page 1.

(4) See Footnote (2) on page 1.

(5) See Footnote (1) on page 1.

(6) See Footnote (1) on page 1.

A photo accompanying this announcement is available at  
<https://www.globenewswire.com/NewsRoom/AttachmentNg/e2c83ebb-2ede-492b-b004-2dc9b0a62c7e>

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