

2022

# ANNUAL REVIEW



**AVINO**  
SILVER & GOLD MINES LTD



A CLEAR PATH TO TRANSFORMATIONAL GROWTH

# A Clear Path to Transformational Growth

Avino is a silver producer from its wholly owned Avino Mine near Durango, Mexico. The Company's silver, gold and copper production remains unhedged.

The Company's mission and strategy is to create shareholder value through its focus on profitable organic growth at the historic Avino Property and the strategic acquisition of the La Preciosa property. Avino currently controls mineral resources, as per NI 43-101, that total 368 million silver equivalent ounces, within our district-scale land package.

We are committed to managing all business activities in a safe, environmentally responsible, and cost-effective manner, while contributing to the well-being of the communities in which we operate.



## TABLE OF CONTENTS

- 3-5 MESSAGE FROM THE CEO
- 6-7 2022 MILESTONES
- 8 2023 OUTLOOK
- 9 ESG INITIATIVES
- 10 PRODUCTION HIGHLIGHTS
- 11 MESSAGE FROM CFO
- 12 FINANCIAL HIGHLIGHTS
- 13 OPERATIONAL HIGHLIGHTS
- 14-16 OPERATIONAL OVERVIEW
- 17 CORPORATE INFORMATION



# Message from the CEO



David Wolfin

Dear Fellow Shareholders,

2022 was a pivotal year for Avino, where we delivered several key objectives for our strategic growth and development plans. During the year, and with long-term shareholder value-creation as a top priority, we laid out our Clear Path for Transformational Growth by developing a road map of our initiatives for growth and future expansion.

Our focus is to mine responsibly with a firm commitment of support, knowledge and education for the communities near operations in Durango, Mexico.

A successful mining Company is one that collaborates with members of its surrounding communities and incorporates principles of sustainability and social responsibility daily. Avino's goal is to generate district economic benefits through hiring local work forces, development and upkeep of public areas and structures, and to promote a genuine feeling of community well-being. We will endeavor to set environmental and social performance objectives that are relevant and will result in tangible actions. Our goal is to respect our investors' objectives and provide even greater attention to our communities and their needs. We remain dedicated to all our Company's corporate values, and particularly as they relate to community, culture and environment.

On the world stage, the effects of global economic uncertainty were felt with higher inflation rates, higher prices for goods and services, volatile markets, and for silver producers such as Avino, fluctuating precious metals prices. Throughout 2022, we have worked diligently to manage inflationary pressures and a rising cost environment, and we look to bring that same mindset into 2023 as we continue through uncertain market conditions all around the world. Controlling costs remains a key priority for Avino.

We successfully closed the strategic acquisition of La Preciosa, which is adjacent to our flagship Avino mine, significantly increasing our land package in the State of Durango. La Preciosa factors prominently into our transformation growth plan to become an intermediate producer. Initial planning for La Preciosa is well underway with the Gloria vein being a priority target, community engagement, new equipment and planned surface works.

The Company's value proposition is our project portfolio and catalysts for growth that include the Avino Mine as a cornerstone asset and provides significant upside opportunity with La Preciosa, and the Oxide Tailings Project.

Production from the Avino mines was highlighted in 2022 with two record breaking quarters which outperformed market expectations, beat internal production estimates and positioned us well for continued growth in 2023. We delivered full-year production of 2,655,502 silver equivalent ounces, an increase of 215%. This was largely driven by the quality of the Avino Mine asset as well as the mine site team's ability to continually improve operations and the optimization of underground mining processes. The fourth quarter silver equivalent production of 770,127 ounces represented Avino's second highest production quarter in recent times, building on our record setting third quarter results of silver equivalent production of 778,008 ounces.

The ramp up of underground mining operations continued throughout 2022, and in particular the second half of the year which realized 58% of the annual silver equivalent production. In 2022, 541,823 tonnes were processed for the Avino Mine, an increase of 228% over 2021.



# Message from the CEO (continued)

The Dry-Stack Tailings project was completed in late 2022 and has been fully operational since that time. In keeping with our principles of social responsibility, the method of dry-stack tailings was chosen for its environmental, safety and economic advantages. Dry stack technology involves filtering tailings to remove water prior to stacking and compacting the dry material in a designated tailings area, thus occupying less space, and reducing the environmental footprint. Using dry stack tailings disposal not only de-risks the Avino Mine project from an environmental standpoint, but the water removed from the tailings will be recycled, therefore reducing the need to extract water from local sources.

Another highlight during the year was the completion of over 15,000 metres of drilling on the property and delivered on the promise to re-invest in exploration at Avino. The exploration drilling focused on the areas below the current lowest level of production mining (Level 17) at the ET Area of the Avino Mine. When drilling wrapped up for the year, the drilling showed that the Avino vein extends a further 315 metres downdip. This exploration program was designed to test the continuity of the steeply dipping mineralization and to understand the source of the mineralization. As a result of this drilling, the Avino Vein is now known to be 800 metres deep downdip.

Also, a further 17 holes were drilled on the Oxide Tailings Project, which brought the total number of holes drilled to 127. The Company completed its comprehensive metallurgical testwork and reported these results in April of 2023. These results also build on the work done in 2017 Preliminary Economic Assessment (“PEA”) and increase the level of confidence in the Project from the extensive testwork completed. The potential of the Oxide Tailings resource has been known for many years but buried under the active tailings dam. With the previously mentioned new state of the art Dry-Stack Tailings facility now fully operational, we can advance the oxide tailings project to the prefeasibility study level. These results along with the ongoing testwork program will allow us to make sound decisions on the processing route to maximize the project value.

Avino continues to be dedicated to building and maintaining a local workforce. In 2022, the training programs that started in 2021 remained ongoing with a focus on inclusivity and diversity, providing opportunities to grow our female workforce and place them in roles traditionally by their male counterparts.

Digital Transformation is still at the forefront, with the Company carrying on with its plans to digitally transform certain areas at the mine to enhance efficiencies including mill automation and underground vehicle tracking. The goal is to transform communication and processes that should help to reduce costs by streamlining work processes and providing insights at site that will improve efficiency. Data will be accessed faster, which will help with productivity and monitoring for any safety issues. Operations management, the finance team and the executive team are now able to monitor site activity remotely and communicate instantly any risks or changes that need to take place.

In August 2022, Avino received for the first time, the ESR Award “Empresa Socialmente Responsable ESR 2022”. This award is granted by the Mexican Center for Philanthropy (El Centro Mexicano para la Filantropía or Cemefi, and the Alliance for Corporate Social Responsibility (Alianza por la Responsabilidad Social Empresarial or (AliaRSE)). The ESR® Award is obtained through a diagnostic process based on indicators reviewed and endorsed annually by a committee of experts in the various CSR areas, supported with documentary evidence, an assessment differentiated by company size and by maturity levels, and an external verification process. Avino continues to view its social responsibility with importance and care of our communities. As I mentioned at the beginning of this letter, our commitment to the communities is steadfast, and we take our supportive role seriously.

As a public company, we are committed to our shareholders and strive to bring value not only in the short term but for future value as well, and as we have made strides to propel the company to intermediate status, we are also extremely pleased to have ended the year with a strong balance sheet, and subsequent to the end of the year eliminated our debt with the \$5 million payment to Coeur Mining for La Preciosa.

# Message from the CEO (continued)

I am proud of Avino's resilience and what all our employees around the globe have achieved collectively. The teams in Mexico, Canada, and the US never stopped performing their jobs through challenging times and are committed to our shared culture of discipline, flexibility and teamwork and continued to seek initiatives that truly made us stronger as a Company.

2023 is shaping up to be another successful year for Avino. Several key catalysts have already been delivered in the first quarter and include the release of the updated mineral resource estimate that includes the Elena Tolosa ("ET") deposit, the San Gonzalo deposit, and the Oxide Tailings deposit. Additionally, inaugural mineral resource estimates were included on the Guadalupe and La Potosina deposits. This updated mineral resource represents another milestone for Avino on our path to transformational growth. Together with the previously reported mineral resources on our new La Preciosa property, the consolidated mineral resources total 368 million silver equivalent ounces in the measured, indicated, and inferred categories. This is a significant boost to our overall consolidated mineral resources at the Avino property, with the new ounces coming in at a cost of \$0.05 per discovered silver equivalent ounce – an incredible achievement. The updated mineral resource estimate provides us with a strong long-term outlook. The Avino property is a long-life asset.

We also just announced that the Pre-Feasibility study for the Oxide Tailings Project was awarded after completion of the RFP and looks to be completed by the end of 2023. This Project has been in our portfolio for many years and factors prominently into our five-year growth plan to become an intermediate silver producer in Mexico. These results also build on the work done in 2017 Preliminary Economic Assessment ("PEA") and increase the level of confidence in the Project from the extensive testwork completed. When comparing the most recent mineral resource estimate to the one completed in 2021, we see in the measured and indicated category an impressive 408% increase in tonnage, as well as a 287% increase in AgEq ounces. The potential of the Oxide Tailings resource has been known for many years but buried under the active tailings dam.

The recently announced mining reforms in Mexico are in part, set to limit or regulate harmful practices by the mining industry and improve protections for the environment and Indigenous peoples, thereby bringing the standards up to match North American environmental and social standards. For many years, Avino has been a leader in CSR and has followed best practices for the communities in which we operate. We don't expect these new reforms to impact Avino operations.

We continue to believe that these uncertain economic times we are in point to a positive outlook for silver, and that silver demand will continue to grow in 2023. There is record demand for silver industrial fabrication, increase in green technology, and a surge in investment demand for physical silver.

All of this bodes well for the silver miners and their shareholders – the best leverage to metals is owning producers, such as Avino.

Operationally, we are targeting a solid year going forward. We are well into our 55th, and we are driven by the highlighted events and developments of 2022 with an enthusiastic approach and positive outlook. Avino's longevity demonstrates a commitment to maintaining our mission, vision and values. Our Clear Path for Transformational Growth guides us from junior producer to intermediate status within 5 years! We thank you for your ongoing support and confidence as we continue to unlock shareholder value at Avino Silver & Gold Mines Ltd.

Sincerely,

DAVID WOLFIN  
President and Chief Executive Officer

# 2022 Milestones Achieved



## **Acquisition of La Preciosa – Strategic Growth:**

During Q1 2022, Avino announced that it had successfully closed the acquisition of La Preciosa which advances the Company's growth strategy as it aims to become Mexico's next intermediate silver producer with mineral resource estimates totaling over 290 million silver equivalent ounces.



## **2022 Production – Beating Internal Production Estimates:**

The Company's internal estimate for production for 2022 was between 2.2-2.4 million AgEq3. Actual production for 2022 was 2,655,502 AgEq3, outperforming the upper range of the internal estimate by over 0.25 million AgEq3.



## **Dry-Stack Tailings – Complete:**

The installation and commissioning of the dry-stack tailings project has been completed, with the facility now fully operational. We chose this method for its environmental, safety and economic advantages.



## **Increased Avino Mine Underground Operations:**

The ramp up of underground mining operations continued throughout 2022, as evidenced by 58% of the annual silver equivalent production coming in H2 2022. In 2022, 541,823 tonnes were processed from the Avino Mine, an increase of 228% over 2021.



## **Exploration Drilling:**

The Company focused on two areas in 2022 and included budgeting a total of 15,000 metres for Phase 2 drilling below the current lowest level of production mining (Level 17) at the ET Area of the Avino Mine. In 2022, the Company completed over 15,500 metres of drilling, delivering on the promise to re-invest into exploration at Avino. Please click on the following links to view the reported drill results released in June, October, and January.

# 2022 Milestones Achieved

(continued)



## Oxide Tailings Project:

At the Oxide Tailings Project, a further 17 holes were drilled, bringing the total number of holes drilled to 127. In 2022, the Company performed all the remaining recommended drilling from the 2017 Preliminary Economic Assessment (“PEA”). Further, the Company completed its comprehensive metallurgical testwork and is awaiting the results. The Company expects to provide further updates on the commencement of the PFS on the OTP during the first half of 2023.



## Workforce Training:

Avino continues to be dedicated to building and maintaining a local workforce. Training programs that started in 2021 remain ongoing with the Company providing inclusive opportunities, with several females being trained in surface and underground production jobs.



## Digital Transformation:

During the year, the Company continued to digitally transform certain areas at the mine to enhance efficiencies including mill automation and underground vehicle tracking.



## Avino Receives ESR Award:

Avino received for the first time, the ESR “Empresa Socialmente Responsable ESR 2022” Award granted by the Mexican Center for Philanthropy (El Centro Mexicano para la Filantropía or Cemefi, and the Alliance for Corporate Social Responsibility (Alianza por la Responsabilidad Social Empresarial or (AliaRSE)). The ESR® Award is obtained through a diagnostic process based on indicators reviewed and endorsed annually by a committee of experts in the various CSR areas, supported with documentary evidence, an assessment differentiated by company size and by maturity levels, and an external verification process. Avino continues to view its social responsibility with importance and care of our communities.



# 2023 Outlook



## Production:

For 2023, approximately 700,000-750,000 tonnes are planned for mill processing and will be sourced from both the Avino Mine and stockpiles from La Preciosa. Based on current metal prices, the Company expects to produce between 2.8M and 3.2M silver equivalent ounces<sup>1</sup>. In addition, the Company aims to exceed the budgeted plans for 2023 through the integration of La Preciosa into the mill feed mix.

## Capital Budget:

At current metal prices capital expenditures will be paid for by operating cash flows generated from mining operations during Q4 2022 & throughout 2023.

		Operations	Corporate	Consolidated
Growth Capital	US\$M	\$5.0 - \$6.0	\$0.5	\$5.5 - \$6.5
Exploration & Evaluation	US\$M	\$1.0 - \$1.5	-	\$1.0 - \$1.5
Sustaining Capital & Mine Development	US\$M	\$3.0 - \$4.0	-	\$3.0 - \$4.0
<b>Total Capital Budget</b>	<b>US\$M</b>	<b>\$9.0 - \$11.5</b>	<b>\$0.5</b>	<b>\$9.5 - \$12.0</b>

## Growth Capital:

The Company's budgeted growth capital for 2023 includes expenditures at all three of its assets in Durango, all of which feature prominently in the Company's five-year growth plan.

At La Preciosa, growth capital includes equipment acquisitions and procurement intended for the first phase of mine development in conjunction with the Company's internal mine plan for the Gloria and Abundancia Veins. At the Oxide Tailings Project ("OTP"), the Company has performed the recommended metallurgical testwork and is awaiting finalization of the results. With conclusive results, the existing Preliminary Economic Assessment ("PEA") will be used as the framework for a Pre-Feasibility Study ("PFS"). The previous PEA was released in 2017, with the details here. The Company will provide further updates on the commencement of the PFS on the OTP during the first half of 2023.

## Exploration & Evaluation:

The Company's budgeted exploration and evaluation expenditures for 2023 are focused on further drilling below Level 17 at the ET Area of the Avino Mine, where the Company successfully extended mineralization over 300 metres below the lowest level of production mining operations. A further 8,000 metres of drilling have been budgeted at this time. Exploration may not be limited to this area, and during the year our priority targets may change if geological interpretations on other areas present enhanced opportunity.

## Sustaining Capital & Mine Development:

At Avino, budgeted sustaining capital and mine development expenditures include rehabilitation and overhauls of the Company's existing mining fleet, upgrades to the crushing circuits at the mill and ongoing mine maintenance to ensure underground safety as well as planning for mining at deeper levels below the current bottom of the mine.



# ESG Initiatives



Delivered school supplies to communities in the vicinity of La Preciosa



Cleared brush from outside of the schools in San Jose de Avino



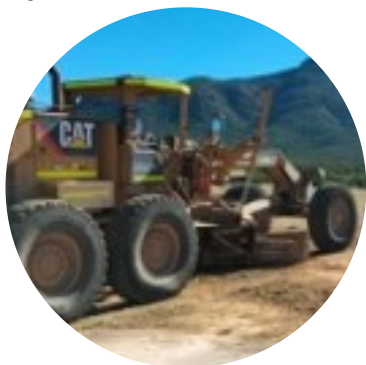
Delivered waterproofing materials and paint supplies to the school in Zaragoza for maintenance of ceilings and walls in the classrooms



Regularly maintains sports areas and hosts educational mining activities in the communities for the children



Street and road maintenance and Landfill cleaning was carried out in the communities of Panuco de Coronado, San Jose de Avino, and Zaragoza



Maintain the roads in and around San Jose de Avino, benefitting ranchers and farmers



Avino Rescue Team training

# 2022 Production Highlights



Avino Mine Production Highlights	2022	2021	2020
Total Mill Feed (dry tonnes)	541,823	165,304	199,575
Feed Grade Silver (g/t)	62	53	54
Feed Grade Gold (g/t)	0.42	0.84	0.40
Feed Grade Copper (%)	0.61	0.57	0.58
Recovery Silver (%)	92%	87%	90%
Recovery Gold (%)	78%	75%	75%
Recovery Copper (%)	89%	88%	88%

\*After a period of operational closure, the Avino Mine restarted production during Q3 2021.

\*In Q4 2022, AgEq was calculated using metal prices of \$21.18 per oz Ag, \$1,729 per oz Au and \$3.63 per lb Cu. In Q4 2021, AgEq was calculated using metal prices of \$23.32 per oz Ag, \$1,783 per oz Au and \$4.39 per lb Cu. In 2022, AgEq was calculated using metal prices of \$21.75 per oz Ag, \$1,801 per oz Au and \$4.00 per lb Cu. In 2021, AgEq was calculated using metal prices of \$23.84 per oz Ag, \$1,786 per oz Au and \$4.32 per lb Cu.

# Message from the CFO



Nathan Harte

Dear Shareholders,

At Avino, 2022 represented a year of executing on near-term goals and building for the future as we work towards our goal of becoming Mexico's next intermediate silver producer.

We closed on the major acquisition of the strategic and undervalued La Preciosa Property, outperformed internal guidance on a full year of production from the Avino Mine, and continued to re-invest in the future with the Oxide Tailings Project and exploring below the current Avino Mine workings. With these exciting projects in our pipeline, our focus on costs and profitability remained during the year as we generated positive net income, earnings per share, and free-cash flow in 2022, all while managing inflationary pressures that have impacted our industry and many others around the world.

During the year, we completed the upfront consideration payment of \$15 million to Coeur Mining Inc., to close the acquisition of La Preciosa. This transaction, coupled with a mineral resource estimate update in early 2023, boosted our silver equivalent resources up to 368 million ounces, and is a significant piece in accomplishing our ambitious growth plans. On the Oxide Tailings Project, we are currently underway with a Pre-Feasibility Study, and we are looking forward to sharing the results with the market later in 2023. Both these development assets are key to our growth plans and achieving our future production goals.

While 2022 was a year of future oriented growth, we also set some financial records and milestones. We realized record net income of \$3.1 million, or \$0.03 per share, record revenues of \$44.2 million, and generated \$2.9 million of free-cash flow. Our cash cost per silver equivalent payable ounce came in \$10.34, and our all-in sustaining cash cost per silver equivalent payable ounce was \$17.91 compared to \$24.07 in 2021. Cash and working capital at the end of year was \$11.2 million and \$8.8 million, respectively.

On the exploration side, we completed over 15,000 metres of drilling in 2022. Both the brownfields exploration program below the Avino Mine and the resource definition and expansion drilling on the Oxide Tailings project delivered favourable results throughout the year. Having completed the Oxide Tailings Project during the early part of the year, our focus shifted solely to below the mine workings at Avino, where we are keen to fully develop our understanding of the previously undrilled vein system at depth and are still drilling as of today.

With increases in demand year over year, we continue to remain bullish on our key metals, especially silver and copper. As supply continues to decrease, we are excited to be a contributing part of the green economy, as we see metal demand increasing in coming years through additional industrial requirements and a major shift to environmentally sustainable operations.

As we move forward into 2023, we are looking forward to the future. With the acquisition of La Preciosa and the updated mineral resource estimates from our Oxide Tailings Project and at Avino, our focus remains in Mexico. With 368 million silver equivalent ounces in a 25 km radius, over 50 years of experience in the area, and all the key pieces of infrastructure, we believe we have all the ingredients to unlock significant value for all existing and any new Avino shareholders and stakeholders.

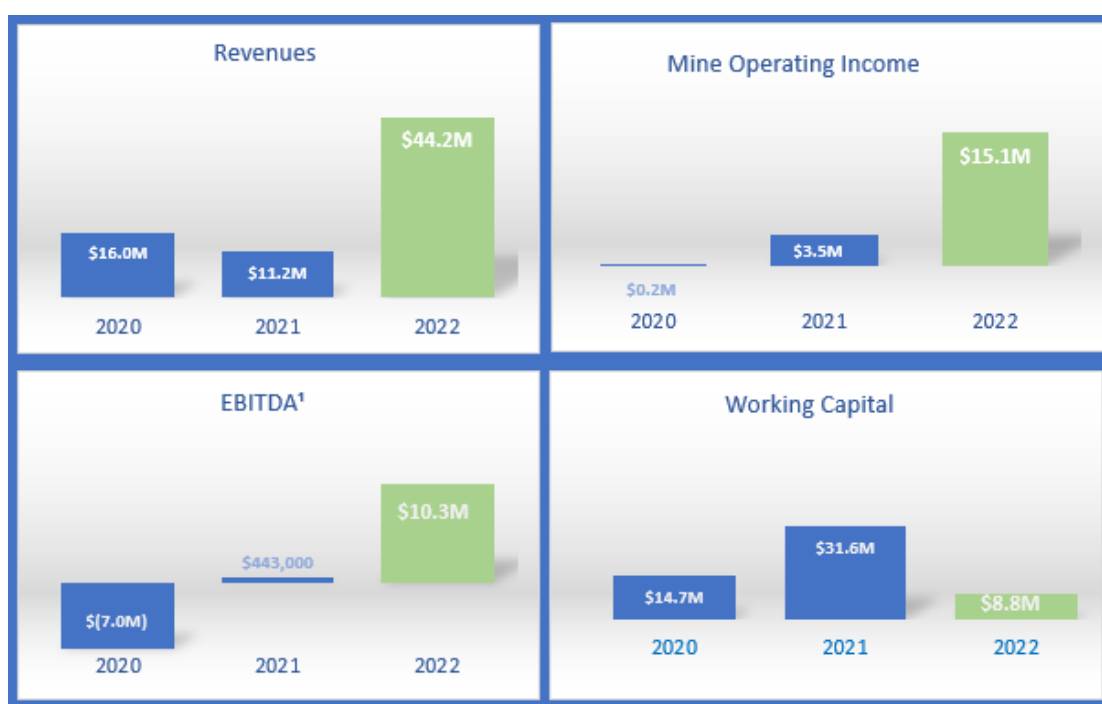
Sincerely,

NATHAN HARTE  
Chief Financial Officer

# 2022 Financial Highlights

## Full Year 2022 Financial Highlights

- Revenues of \$44.2 million
- Mine operating income of \$15.1 million, \$17.6 million net of non-cash costs of sales
- Net income of \$3.1 million, or \$0.03 per share
- Cash cost per silver equivalent payable ounces sold<sup>1,2</sup> - \$10.34 per ounce
- All in sustaining cash cost per silver equivalent payable ounce sold<sup>1,2</sup> - \$17.91 per ounce
- Earnings before interest, taxes, depreciation and amortization (“EBITDA”)<sup>3</sup> of \$10.3 million
- Adjusted earnings<sup>3</sup> of \$10.2 million, or \$0.08 per share
- Cash provided by operating activities of \$11.8 million



<sup>1</sup>In Q4 2022, AgEq was calculated using metal prices of \$21.18 oz Ag, \$1,729 oz Au, and \$3.63 lb Cu. In Q4 2021, AgEq was calculated using metals prices of \$23.32 oz Ag, \$1,783 oz Au and \$4.39 lb Cu. In FY 2022, AgEq was calculated using metal prices of \$21.75 oz Ag, \$1,801 oz Au and \$4.00 lb Cu. In FY 2021, AgEq was calculated using metal prices of \$23.84 oz Ag, \$1,786 oz Au and \$4.32 lb Cu.

Under National Instrument 43-101, the Company is required to disclose that it has not based its production decisions on NI 43-101-compliant reserve estimates, preliminary economic assessments, or feasibility studies, and historically projects without such reports have increased uncertainty and risk of economic viability. The Company's decision to place a mine into operation at levels intended by management, expand a mine, make other production-related decisions, or otherwise carry out mining and processing operations is largely based on internal non-public Company data, and on reports based on exploration and mining work by the Company and by geologists and engineers engaged by the Company. The results of this work are evident in the Company's discovery of the San Gonzalo and Avino Mine resources, and in the Company's record of mineral production and financial returns since operations at levels intended by management commenced at the San Gonzalo Mine in 2012.

<sup>2</sup> "Silver equivalent payable ounces sold" for the purposes of cash costs and all-in sustaining costs consists of the sum of payable silver ounces, gold ounces and copper tonnes sold, before penalties, treatment charges, and refining charges, multiplied by the ratio of the average spot gold and copper prices to the average spot silver price for the corresponding period.

<sup>3</sup> The Company reports non-IFRS measures which include cash costs per silver equivalent payable ounce, all-in sustaining cash costs per silver equivalent payable ounce, EBITDA, adjusted earnings, adjusted earnings per share, and working capital. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and the calculation methods may differ from methods used by other companies with similar reported measures. See Non-IFRS Measures section for further information.



# 2022 Operational Highlights



"Throughout 2022, we have worked diligently to manage inflationary pressures and a rising cost environment, and we look to bring that same mindset into 2023 as we continue through uncertain market conditions all around the world. Controlling costs remains a key priority for Avino in order to not only protect the Company in a down market, but also to outperform when the bull market for metal prices comes to fruition."

-Nathan Hatre, CFO

## Silver Equivalent Payable Ounces Sold<sup>1,2,3</sup>



## Cash Cost per Silver Equivalent Payable Ounce<sup>1,2,3</sup>



## All-in Sustaining Cash Cost per Silver Equivalent Payable Ounce<sup>1,2,3</sup>



1. In Q4 2022, AgEq was calculated using metal prices of \$21.18 oz Ag, \$1,729 oz Au, and \$3.63 lb Cu. In Q4 2021, AgEq was calculated using metals prices of \$23.32 oz Ag, \$1,783 oz Au and \$4.39 lb Cu. In FY 2022, AgEq was calculated using metal prices of \$21.75 oz Ag, \$1,801 oz Au and \$4.00 lb Cu. In FY 2021, AgEq was calculated using metal prices of \$23.84 oz Ag, \$1,786 oz Au and \$4.32 lb Cu.

Under National Instrument 43-101, the Company is required to disclose that it has not based its production decisions on NI 43-101-compliant reserve estimates, preliminary economic assessments, or feasibility studies, and historically projects without such reports have increased uncertainty and risk of economic viability. The Company's decision to place a mine into operation at levels intended by management, expand a mine, make other production-related decisions, or otherwise carry out mining and processing operations is largely based on internal non-public Company data, and on reports based on exploration and mining work by the Company and by geologists and engineers engaged by the Company. The results of this work are evident in the Company's discovery of the San Gonzalo and Avino Mine resources, and in the Company's record of mineral production and financial returns since operations at levels intended by management commenced at the San Gonzalo Mine in 2012.

2. "Silver equivalent payable ounces sold" for the purposes of cash costs and all-in sustaining costs consists of the sum of payable silver ounces, gold ounces and copper tonnes sold, before penalties, treatment charges, and refining charges, multiplied by the ratio of the average spot gold and copper prices to the average spot silver price for the corresponding period.

3. The Company reports non-IFRS measures which include cash costs per silver equivalent payable ounce, all-in sustaining cash costs per silver equivalent payable ounce, EBITDA, adjusted earnings, adjusted earnings per share, and working capital. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning and the calculation methods may differ from methods used by other companies with similar reported measures. See Non-IFRS Measures section for further information.

# 2022 Operational Overview

*Focused on Mexico*

## Eagle Property

December 31, 2022 sold the Eagle Property to a subsidiary of Hecla Mining Company.

## Minto Property

### Olympic-Kelvin Property

May 2, 2022 granted option to Endurance Gold to acquire the Minto and Olympic-Kelvin properties



March 21, 2022 closed the acquisition of La Preciosa

# 2022 Operational Overview

(continued)



## THE AVINO MINE

### *A Clear Path to Transformational Growth*

The Avino mine is an exceptional asset with 20 named veins and over 50 additional veins which make the property unique and adds to its potential.

Sitting on the edge of a structurally controlled caldera, the property hosts multiple conduits for mineralization. Targets include composite vein sets of different composition as well as bulk veins and narrow veins of gold, silver and copper.

The Avino mine is located in the heart of Durango farmland, and on the East flank of the Sierra Madre silver belt. The mine site is a one-hour drive on paved road from the city of Durango.

The Company has been divesting its North American assets in order to put the focus on Mexico and its 3 assets: The Avino Mine, The Tailings Project and La Preciosa. This is key while working towards our 5 year goal of becoming an intermediate producer.

#### **Avino ET Area Drills Higher Grade Silver and Copper in Multiple Holes**

On June 13, 2022, the Company announced drill results from the Avino Elena Tolosa Area (“ET”) to define the continuity of widths and grades of the Avino vein extending significant potential depth of at least 290 metre down dip below the current development, the results confirm the mineralization continues and also contains significantly higher copper mineralization in the ET area. All news releases are available at [www.avino.com](http://www.avino.com).

On October 11, 2022, the Company announced drill results from a further six holes at the Avino Elena Tolosa Area (“ET”) to define the continuity of widths and grades of the Avino vein extending significant potential depth of at least 290 metre down dip below the deepest levels of development. The results confirm the mineralization continues and also contains significantly higher copper mineralization in the ET area.

On January 5, 2023, the Company announced assays results showing the Avino vein now extending 315 metres below the deepest level 17 mining area demonstrating the Avino vein is getting richer in copper.

#### **Training and Hiring Local Workforce**

The Company is dedicated to building and maintaining a local workforce. In line with Avino’s policy of local employment, Mexican nationals account for 100% of the mine work force. Currently there are 452 direct jobs at the mine, which has increased substantially since the restart of operations in 2021, and this translates to over 1,200 indirect jobs in Durango, Mexico. In addition, Avino is actively increasing its workforce diversification by hiring more women for historically male-dominated roles through targeted recruitment and development programs. Currently at site, 10 – 15% of the labor force is female. The training programs are aimed at increasing inclusion and diversity by offering equal opportunity to men and women.

# 2022 Operational Overview

(continued)



## THE AVINO MINE

*A Clear Path to Transformational Growth*

### **Dry Stack Tailings Storage Facility**

The installation and commissioning of the dry-stack tailings project has been completed and the facility is now fully operational. Avino chose dry-stack tailings for its environmental, safety and economic advantages. Dry-stack tailings improve the overall tailings facility safety and stability and reduces the need for fresh water by recycling the water contained in the tailings. In addition, dry-stack tailings require less storage area which results in a smaller environmental footprint.

### **Oxide Tailings Project**

At the Oxide Tailings Project, a further 17 holes were drilled, bringing the total number of holes drilled to 127. In 2022, the Company performed all the remaining recommended drilling from the 2017 Preliminary Economic Assessment (“PEA”). Further, the Company completed its comprehensive metallurgical testwork and is awaiting the results. The Company expects to provide further updates on the commencement of the PFS on the OTP during the first half of 2023.

### **Digital Transformation**

During the year, the Company continued to digitally transform certain areas at the mine to enhance efficiencies including mill automation and underground vehicle tracking.

### **Increased Avino Mine Underground Operations**

The ramp up of underground mining operations continued throughout 2022, as evidenced by 58% of the annual silver equivalent production coming in H2 2022. In 2022, 541,823 tonnes were processed from the Avino Mine, an increase of 228% over 2021 (After a period of operational closure, the Avino Mine restarted production during Q3 2021).





# Corporate Information

## HEAD OFFICE

Suite 900 - 570 Granville St  
Vancouver, BC Canada  
V6C 3P1  
T: 604-682-3701

## INVESTOR RELATIONS

E: [ir@avino.com](mailto:ir@avino.com)  
T: 604-682-3701

## DIRECTORS

Peter Bojtos, Chairman  
David Wolfin  
Jasman Yee  
Ronald Andrews

## MANAGEMENT

**David Wolfin**  
President and CEO

**Carlos Rodriguez**  
Chief Operating Officer

**Nathan Harte, CPA**  
Chief Financial Officer

**Jennifer Trevitt**  
Corporate Secretary

**Peter Latta, P.Eng, MBA**  
VP Technical Services

**Jennifer North**  
Head of Investor Relations

**Andrew Kaplan**  
Capital Market Strategist

## AUDITORS

Deloitte  
2000 - 410 West Georgia St  
Vancouver, BC Canada  
V6B 0S7  
T: 604-669-4466

## TRUST COMPANY & TRANSFER AGENT

Computershare  
3rd Floor - 510 Burrard St  
Vancouver, BC Canada  
V6C 3B9  
T: 604-691-7363

## CANADA LEGAL COUNSEL

Harper Grey LLP  
3200 - 650 West Georgia St  
Vancouver, BC Canada  
V6B 4P7  
T: 604-687-0411

## US LEGAL COUNSEL

Lewis Brisbois  
1100 - 333 Bush St  
San Francisco, CA USA  
94104  
T: 415-262-8508

## SHARES TRADED

ASM: TSX  
ASM: NYSE AMERICAN  
GV6: FSE