

Avino Silver & Gold Mines Ltd

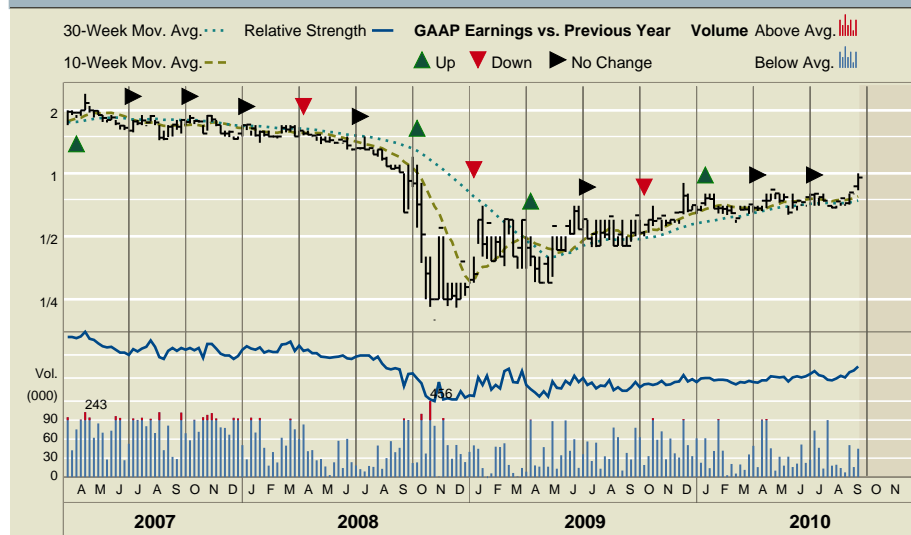
GICS Sector Materials
Sub-Industry Precious Metals & Minerals

Summary Avino Silver & Gold Mines Ltd., (OTCBB: ASGMF, TSX: ASM), is an Canadian based mining and exploration firm with properties in Mexico and Canada.

Key Stock Statistics (Source S&P, company reports, Vickers)

Price as of Sep 15, 2010	\$1.23	Dividend Rate/Share	Nil	\$10K Invested 5 Yrs Ago	\$8,377	Total Shares Outstg. (M)	20.6
52-Wk Range	\$1.23-0.50	Trailing 12-Month P/E	NM	Beta	0.75	Market Capitalization(B)	\$0.025
Trailing 12-Month EPS	\$-0.05	Tangible Book Val/Share	\$0.86	Yield (%)	Nil	Institutional Ownership (%)	NA

Price Performance



Quantitative Evaluations

S&P Quality Ranking **NR**

D	C	B-	B	B+	A-	A	A+
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S&P Fair Value Rank **NR**

1	2	3	4	5
LOWEST		HIGHEST		

Fair Value Calculation **NA**

Volatility **NA**

Technical Evaluation **NA**

Relative Strength Rank **STRONG**

99	
LOWEST = 1	HIGHEST = 99

S&P Financial Writer **Frank Barone**

Operational Review September 15, 2010

Income Statement Analysis & Financial Review

The company is in the exploration stage and has not yet generated any operating revenues. For the six months ended June 30, 2010, interest income was C\$6,629, the net loss was C\$302,327 (\$0.01 per share), vs. interest income of C\$26,186, a net loss of C\$229,316 (\$0.01 per share) a year ago.

For the second quarter ended June 30, 2010, interest income was C\$3,222, the net loss was C\$152,191 (\$0.01 per share), vs. interest income of C\$5,914, a net loss of C\$118,778 (\$0.01 per share) a year ago.

Key Operating Information

Operating and administrative expenses were C\$156,695 for the three months ended June 30, 2010 as compared with of C\$142,049 for the three months ended June 30, 2009. Operating and administrative expenses were relatively constant during the period with increases of C\$10,646 in investor relations, C\$6,352 in office, C\$4,064 in salaries and C\$4,142 in travel.

During the period ended June 30, 2010, the company incurred expenditures that increased its mineral property carrying value on its Mexican properties by C\$768,612 and capital assets by C\$125,115.

At June 30, 2010, the company had working capital of C\$1,261,195 and cash equivalents of C\$1,514,926. The company is continuing its exploration program and refurbishing of its mine facility for a bulk sampling program in Mexico.

Recent Developments

On August 23, 2010, Avino Silver and Gold Mines announced that it has entered into an agreement with MRI Trading AG for the sale of all the copper concentrates produced from stockpiled material that remains on-site from previous mining. This material is currently being used to commission the refurbished 250tpd mill circuit in preparation for the treatment of the 10,000 tonne bulk sample from the underground development at San Gonzalo slated for later this year. The terms of the agreement are to deliver 400 to 600 tonnes of concentrate containing approximately 50 to 70 tonnes of copper, 20,000 to 30,000 ounces of silver and 150 to 200 ounces of gold.

The sale of this concentrate will add to Avino's cash position and help offset a portion of the ongoing monthly operational costs. In the month of July, the process plant treated approximately 4600 tonnes of ore for the production of 18 tonnes of copper, 8005 ounces silver and about 50 ounces of gold.

Revenue/Earnings Data

Revenue (Million Can. \$)

	1Q	2Q	3Q	4Q	Year
2010	Nil	Nil	--	--	--
2009	Nil	Nil	Nil	Nil	Nil
2008	Nil	Nil	Nil	Nil	Nil
2007	Nil	Nil	Nil	Nil	Nil
2006	Nil	Nil	Nil	Nil	Nil
2005	Nil	Nil	Nil	Nil	Nil

Earnings Per Share (C\$)

	1Q	2Q	3Q	4Q	Year
2010	-0.01	-0.01	--	--	--
2009	-0.01	-0.01	Nil	Nil	-0.05
2008	-0.03	-0.01	0.01	-0.04	-0.07
2007	-0.01	-0.01	-0.01	-0.01	-0.04
2006	-0.17	-0.01	-0.01	-0.01	-0.20
2005	-0.07	-0.02	-0.02	-0.11	-0.22

Fiscal year ended Dec. 31. Next earnings report expected: NA

Dividend Data

No Dividend Data Available

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Avino Silver & Gold Mines Ltd**Business Summary** September 15, 2010

Avino Silver & Gold Mines Ltd., (OTCBB: ASGMF, TSX: ASM), in the exploration stage as of June 30, 2010, engages in the acquisition, exploration and development of mineral properties in Mexico and Canada. The company owns interests in mineral properties located in Durango, Mexico and in British Columbia and the Yukon, Canada.

The company holds a 99.28% equity interest in Compania Minera Mexicana de Avino, S.A. de C.V. (Cia Minera), a Mexican corporation which owns the Avino Silver Mine, located in the state of Durango, Mexico. The Avino Mine is located approximately 74 kilometers to the northeast of the city of Durango and covers approximately 4,364 hectares. The property is accessible via road. From 1974 to 2001, the Avino Mine produced silver, gold, copper and lead. The Avino Mine had been an open pit operation until March 1993, at which time Cia Minera commenced underground operations. Mineralized rock is broken by ripping, drilling and blasting and is trucked to the concentrator, approximately 415 meters from the pit, where it is processed. The Avino Mine was an underground operation at the time of closure in November 2001.

Exploration drilling in 2008 led to the development of the San Gonzalo vein as a future ore deposit.

The company refurbished the plant in order to conduct a 10,000-tonne bulk sample from the high-grade San Gonzalo zone. This sample will allow Avino to assess economics of the zone and confirm mineral grades obtained through earlier diamond drilling. The company's goal is to complete the bulk sample program and move into full production if results are positive.

An NI 43-101 resource calculation for San Gonzalo, completed by Orequest Consultants, estimates that the zone contains 4.75 million ounces of silver and 37,300 ounces of gold. The calculation is based on figures that were compiled from 2007 surface drilling at San Gonzalo, which produced some significant silver intersections.

The decline will descend into the San Gonzalo vein, where drilling over the past two years has outlined a resource of 444,250 tonnes grading 332 g/t silver, 2.61 g/t gold, 1.5% zinc and 1.0% lead. Exploration and development to expand the resource will continue, Avino says.

In addition, Avino is also planning to explore new areas of the property, expand upon discoveries made in 2008 and follow up on the 2008 mapping and sampling. As of August 2010, trenching and 9,000 meters (29,520 feet) of new drilling had been proposed for up to 15 areas of the property. These proposals will be reviewed once the bulk sampling program has been completed.

During the quarter ended June 30, 2010, Avino provided progress reports and updates on the bulk sampling program and by April 2010 reported significant progress towards its goal of beginning a 10,000-tonne bulk sample to facilitate a production decision regarding San Gonzalo. Plant refurbishing was completed together with the construction of the infrastructure and all the support services such as the electrical power supply, process water supply, assay lab, etc. for the operation of the 250-tonne-per-day plant. Commissioning of the plant began on May 22, 2010, with the treatment of the old stockpiled copper ores from previous mining. The company expects to continue treating this feed material until all the major operating problems associated with the plant have been addressed prior to the treatment of the high-grade San Gonzalo bulk sample.

Work is continuing on the two declines, the upper level 1 (2,306-meter elevation) and the lower level 2 (2,260-meter elevation). Both levels have intersected the San Gonzalo vein; level 2 has intersected the San Gonzalo vein and a splay vein.

Avino also has 100% interest in the Eagle Property is located on the south slopes of the Galena Hill in the Keno City silver mining camp in north-central Yukon, 350 kilometers north of Whitehorse. A work program in 2009 was successful in identifying strong silver-gold-indium enriched zinc and lead mineralization hosted in the Eagle vein fault, a known and proven host of significant intercepts of lead-zinc-silver mineralization. The 2009 work also established that indium is present in significant concentrations in the sphalerite enriched Eagle vein. Avino believes that not enough work has occurred to fully expose the potential of the property. The company's holdings also include two claim groups in British Columbia's historic Bralorne Mining district.

Corporate Information**Office**

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Officers**Pres & CEO**

D. Wolfin

CFO

L. Sharp

Secy

D. Chin

Board Members

M. Baybak

G. Robertson

D. Wolfin

Domicile

British Columbia

Auditor

Manning Elliott

Founded

1969

Employees

17

Stockholders

1,000

Avino Silver & Gold Mines Ltd

Key Stock Statistics

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Trailing 12-Month EPS	-\$0.05	Tangible Book Val/Share	\$0.86	Yield (%)	Nil	Institutional Ownership (%)	NA

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	NM	Nil	Nil	Nil
Net Income	NM	NM	NM	NM

Ratio Analysis (Annual Avg.)

% LT Debt to Capitalization	Nil	Nil	Nil	9.86
Return on Equity (%)	NM	NM	NM	NM

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (U.S. \$)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Tangible Book Value	0.78	0.70	0.92	0.81	0.24	0.22	0.25	0.05	0.03	0.46
Cash Flow	-0.05	-0.06	-0.04	-0.17	-0.19	-0.06	-0.05	-0.02	-0.43	-0.16
Earnings	-0.05	-0.06	-0.04	-0.17	-0.19	-0.06	-0.05	-0.02	-0.43	-0.16
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	0.95	1.79	2.42	4.00	1.72	1.90	2.33	1.74	0.75	0.44
Prices:Low	0.30	0.20	1.44	1.32	0.86	0.80	0.29	0.30	0.05	0.18
P/E Ratio:High	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
P/E Ratio:Low	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

Income Statement Analysis (Million Can. \$)

Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Operating Income	-0.85	-1.36	-0.87	-4.01	-1.42	-0.51	-0.32	-0.15	-0.14	-0.20
Depreciation	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Interest Expense	Nil	Nil	Nil	Nil	Nil	Nil	0.01	Nil	0.11	0.10
Pretax Income	-1.23	-1.44	-1.39	-3.65	-2.39	-0.86	-0.45	-0.19	-3.29	-1.12
Effective Tax Rate	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Net Income	-0.99	-1.54	-0.89	-3.65	-2.37	-0.82	-0.45	-0.19	-3.29	-1.12

Balance Sheet & Other Financial Data (Million Can. \$)

Cash	2.83	3.58	6.34	11.1	3.07	2.28	2.83	0.02	Nil	0.01
Current Assets	2.97	3.98	6.79	11.2	3.21	2.34	2.87	0.18	0.05	0.02
Total Assets	19.2	20.1	21.2	23.3	3.96	3.08	3.52	0.82	2.24	5.03
Current Liabilities	0.55	0.58	0.70	1.45	0.24	0.21	0.31	0.38	0.40	0.45
Long Term Debt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	1.63	1.42
Common Equity	17.0	17.6	18.7	19.5	3.37	2.88	3.22	0.43	0.21	3.16
Total Capital	17.0	17.6	18.7	19.5	3.37	2.88	3.22	0.43	1.84	4.58
Capital Expenditures	0.60	1.86	2.36	0.80	0.24	0.09	0.02	Nil	0.03	0.03
Cash Flow	-0.99	-1.54	-0.88	-3.65	-2.37	-0.81	-0.45	-0.19	-3.29	-1.12
Current Ratio	5.4	6.9	9.7	7.7	13.2	11.3	9.4	0.5	0.1	NM
% Long Term Debt of Capitalization	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	88.7	30.9
% Net Income of Revenue	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
% Return on Assets	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
% Return on Equity	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

Data as orig repled.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. Prior to 2007 (eleven months) represent years ended January 31. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Avino Silver & Gold Mines Ltd**Sector Outlook**

S&P recommends underweighting the S&P 500 Materials sector. Year to date through August 24, this sector, which represented 3.5% of the S&P 500 Index, was down 7.9%, compared to a 5.7% decline for the 500. In 2009, the sector index advanced 45.2%, versus a 23.5% increase for the 500. There are 13 sub-industry indices in this sector, with Diversified Chemicals being the largest at 24.3% of the sector's market value.

S&P equity analysts have a neutral fundamental outlook for the sector. In a number of sub-industries, including Specialty Chemicals, Diversified Chemicals, and Paper Products, we think significant cost reductions will yield margin improvements in 2010. In addition, we expect chemical manufacturers to benefit from rising demand and industry production, off recession lows in 2009. We forecast the sector's EPS to jump 72% in 2010, versus an estimated 46% rise for the S&P 500. The sector trades at a 15% premium to its long-term median valuation, already reflecting the aforementioned positives, in our view. Its P/E on estimated 2010 EPS of 15.1X is above the 12.7X for the overall market. The sector's P/E to projected five-year EPS growth rate of 1.3X is higher than the market's PEG of 1.1X. This sector's S&P STARS average of 3.3 (out of 5.0) is well below the broader market's average of 3.9.

The S&P GICS Materials Index has completed a bullish reversal pattern, turning the intermediate-term trend back to bullish, in our view. With the close above the June high at 193, an inverse head-and-shoulders formation was traced out. The recent pullback in prices came right back to chart support as well as the 17-week and 43-week exponential averages, so we believe the test was successful, suggesting higher prices lie ahead. The 17-week has moved back above the 43-week

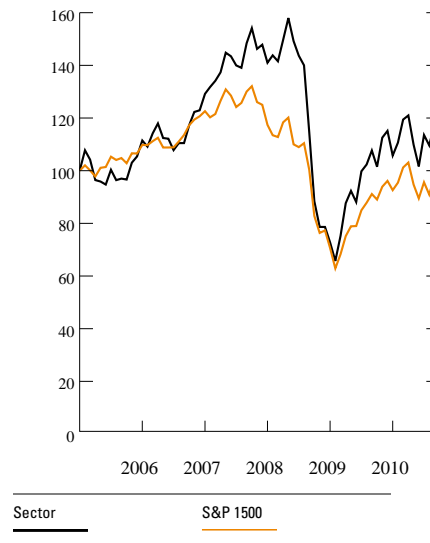
exponential average, after slightly undercutting, a potentially bullish sign. Relative strength versus the S&P 500 has broken its downtrend that had been in place since January, also a bullish sign, in our opinion. However, the RS line has been in a sideways consolidation since last summer. We are neutral with a bullish bias on Materials from a technical perspective.

We recommend underweighting the Materials sector as we believe outperformance in this high-beta sector is unlikely as a result of high valuations and the potential for growth disappointments.

-- A. Young, M. Arbeter, S. Stovall

Stock Performance**GICS Sector: Materials**

Based on S&P 1500 Indexes
Month-end Price Performance as of 08/31/10



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.

All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Sector : MaterialsMaterials Peer Group*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Avino Silver & Gold	ASGMF	25	1.20	1.20/0.50	0.75	Nil	NM	NA	NR	9	NM	NA
Abacus Mining & Exploration	AME.C	30	0.17	0.38/0.15	NA	Nil	NM	NA	C	NA	NM	NA
Anglo Swiss Resources	ASWRF	22	0.21	0.51/0.13	1.69	Nil	NM	NA	NR	35	NM	NA
Comstock Mining	LODE	31	1.63	3.00/1.20	-0.10	Nil	NM	NA	NR	4	NM	NA
Continental Precious Minerals	CZQ.C	28	0.55	1.47/0.37	NA	Nil	NM	NA	C	NA	NA	NA
Diamonds North Resources	DDN.C	14	0.18	0.40/0.13	NA	Nil	NM	NA	NR	NA	NA	NA
Pacific Rim Mining	PFRMF	23	0.18	0.34/0.15	1.15	Nil	NM	NA	C	8	NA	NA
Pan American Goldfields	MXOM	13	0.24	0.58/0.15	-0.46	Nil	NM	NA	NR	NA	NA	0.1
Rockwell Diamonds	RDIAF	16	0.07	0.10/0.04	1.10	Nil	NM	NA	NR	3	NA	NA
San Anton Resource	SNN.C	31	0.29	0.38/0.13	NA	Nil	NM	NA	NR	NA	NM	28.4
Silver Dragon Resources	SDRG	17	0.18	0.50/0.15	2.10	Nil	NM	NA	NR	NA	NM	NA
Teuton Resources	TUO.C	15	0.44	0.56/0.15	NA	Nil	NM	NA	NR	NA	NA	NA
Tournigan Energy	TVCFF	19	0.16	0.33/0.08	2.70	Nil	NM	NA	NR	NA	NM	NA
Tsodilo Resources	TSD.C	27	1.35	2.50/0.27	NA	Nil	NM	NA	NR	NA	NM	NA
Vaaldiam Mining	VAA.C	15	0.32	0.45/0.18	NA	Nil	NM	NA	C	NA	NM	0.7

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Avino Silver & Gold Mines Ltd

Glossary

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations (FFO)

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).