



**AVINO SILVER &  
GOLD MINES LTD.**

Incorporated 1968

Partnered with:



**LOW COST SILVER, GOLD & COPPER PRODUCER**

**Corporate Presentation – May, 2017**

***ASM: NYSE MKT/TSX.V***



# CAUTIONARY DISCLAIMER: FORWARD-LOOKING STATEMENTS



Safe Harbour Statement - This presentation contains "forward-looking information" and "forward-looking statements" (together, the "forward looking statements") within the meaning of applicable securities laws and the United States Private Securities Litigation Reform Act of 1995, including our belief as to the extent and timing of various studies including the PEA and exploration results, the potential tonnage, grades and content of deposits, and timing, and establishment and extent of resource estimates. These forward-looking statements are made as of the date of this presentation and the dates of technical reports, as applicable. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur. While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements.

Such factors and assumptions include, among others, the effects of general economic conditions, the prices of gold, silver, and copper, changing foreign exchange rates and actions by government authorities, uncertainties associated with legal proceedings and negotiations and misjudgments in the course of preparing forward-looking information. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with project development; the need for additional financing; operational risks associated with mining and mineral processing; fluctuations in metal prices; title matters; uncertainties and risks related to carrying on business in foreign countries; environmental liability claims and insurance; reliance on key personnel; the potential for conflicts of interest among certain of our officers, directors or promoters with certain other projects; the absence of dividends; currency fluctuations; competition; dilution; the volatility of our common share price and volume; tax consequences to U.S. investors; and other risks and uncertainties. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. 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. Accordingly, readers should not place undue reliance on forward-looking statements. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

Cautionary Note to United States Investors - The information contained herein and incorporated by reference herein has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of United States securities laws. In particular, the term "resource" does not equate to the term "reserve". The U.S. Securities and Exchange Commission's (the "SEC") disclosure standards normally do not permit the inclusion of information concerning "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" or other descriptions of the amount of mineralization in mineral deposits that do not constitute "reserves" by SEC standards, unless such information is required to be disclosed by the law of the Company's jurisdiction of incorporation or of a jurisdiction in which its securities are traded. U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. Disclosure of "contained ounces" is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC standards as in place tonnage and grade without reference to unit measures.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this presentation.

Mr. Jasman Yee, P.Eng (Avino Director) and Fred Sveinson P.Eng, (Senior Mining Engineer) are the Qualified Persons for the Company as required by NI 43-101. These qualified persons have reviewed the technical information concerning the properties contained in this presentation for accuracy and have authorized its disclosure. The Company expressly disclaims any obligation to update any forward-looking statements except as required under applicable securities laws.



## AVINO AT A GLANCE – 2 MINES 2 COUNTRIES

- Two producing mines in Mexico (Avino and San Gonzalo)
- Plant and mine expansion in Mexico to increase throughput capacity by an estimated 70%
- Bralorne Gold Mine in BC, Canada – Reviewing scenarios for start-up
- Oxide Tailings Development Project - Avino
- Mining friendly jurisdictions
- Diversified pipeline of gold, silver and base metals exploration properties (7)
- Experienced management team and Board of Directors



# RICH IN HISTORY



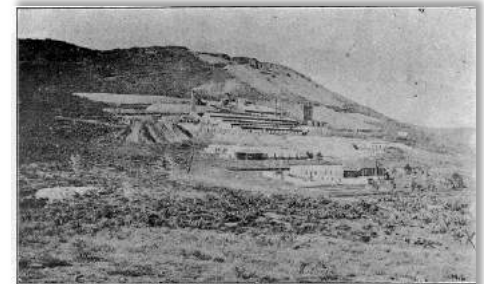
- Avino – **49** Years in the Mining Industry

## 31 YEARS OF PRODUCTION HISTORY

- Specializing in re-opening past producers

## AVINO AND BRALORNE

- Avino Mine – 500 years of history – a long tradition
- Bralorne – 100 years – Historic, prolific gold camp



Vista de la terraza Mina Avino—el Tajo más largo cortado en el mundo—Estado de Durango.  
View of the Terraces Avino—Largest Open Cut in the World—State of Durango.



# LOCATION IS EVERYTHING – MEXICO AND CANADA

## MEXICO - THE WORLD'S LARGEST SILVER PRODUCER



## BRALORNE – ONE OF CANADA'S MOST PROLIFIC MINING OPERATIONS



# STRONG LEADERS IN MANAGEMENT, FINANCIAL AND TECHNICAL EXPERTISE



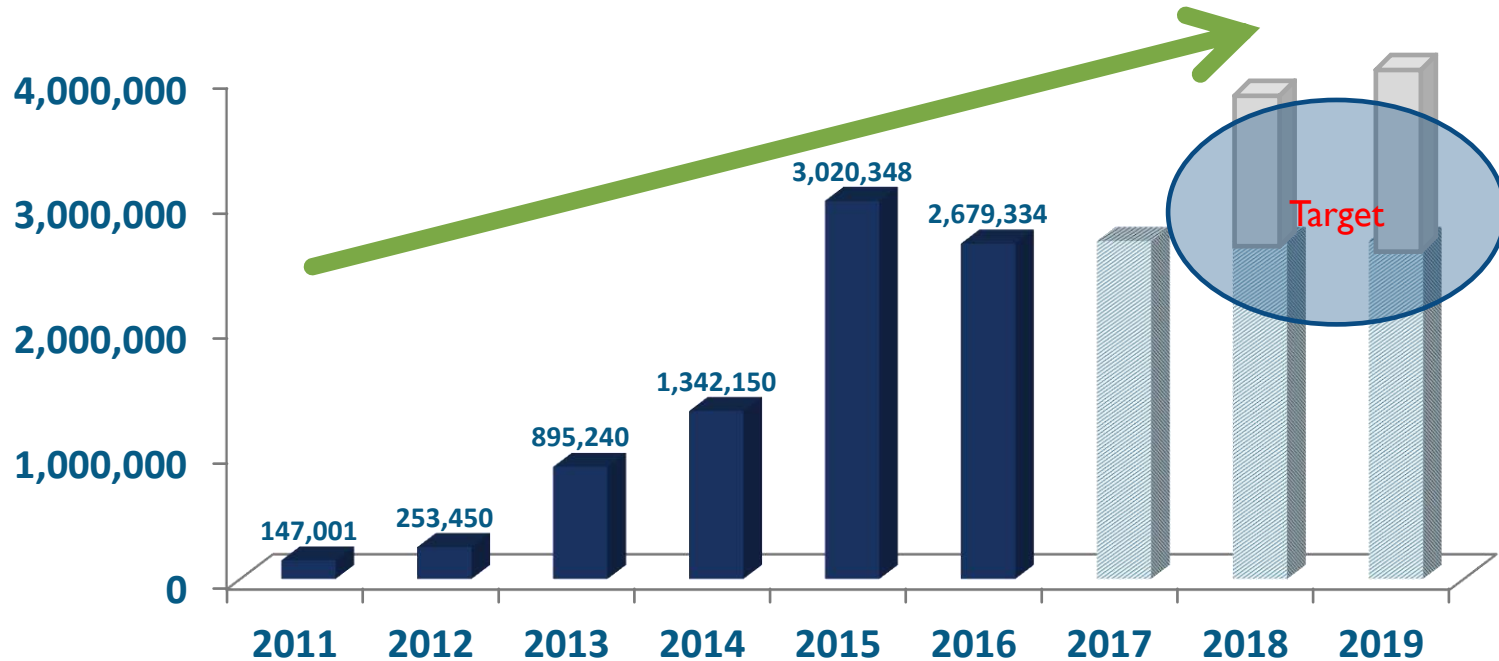
DIRECTORS & OFFICERS	
<b>Gary Robertson</b> Chairman and Independent Director	32 years experience in the financial industry, top financial planner at Hollis Wealth Advisory Services Inc.
<b>David Wolfin</b> President, CEO and Director	30 years experience in mining and finance, geology, metallurgy, worked on the floor of the VSE and has lead a number of successful public companies.
<b>Carlos Rodriguez, P.Geo</b> Chief Operating Officer	27 years technical experience in ore quality control and regional exploration, a graduate of the Colorado School of Mines in mineral exploration.
<b>Malcolm Davidson, CPA, CA</b> Chief Financial Officer	13 years experience in financial reporting, compliance, corporate taxation and public accounting practice.
<b>Jasman Yee, P.Eng</b> Director, Project Manager and Metallurgist	45 years technical experience as practical mineral processing engineer and a chemical Engineer graduate from UBC.
<b>Ross Glanville, B.A.Sc, P.Eng, MBA, CGA, CAMV</b> Independent Director	46 years experience in mining, exploration and development in Canada and Internationally. Has worked with Wright Engineers, Giant Bay Resources and is well respected in the industry for his fairness opinions in the M&A space.
<b>Michael Baybak, Director</b>	28 years serving as a Director of Avino.

FINANCIAL & TECHNICAL CONSULTANTS	
<b>Fred Sveinson, B.A., B.Sc., P.Eng</b> Senior Mining Advisor - Bralorne	45+ years experience as a professional mining engineer in the design, development, construction and operation of mines in Canada and internationally. He is currently working as an independent consultant and advisor to mining companies.
<b>Andrew Kaplan</b> Capital Market Strategist	25 years experience in deal structures, M&A, trading and Investor Relations.



# SILVER EQUIVALENT<sup>2</sup> PRODUCTION GROWTH

## Total Silver Equivalent<sup>2</sup> Produced (oz)



See footnotes on page 32

# CONSOLIDATED FINANCIALS

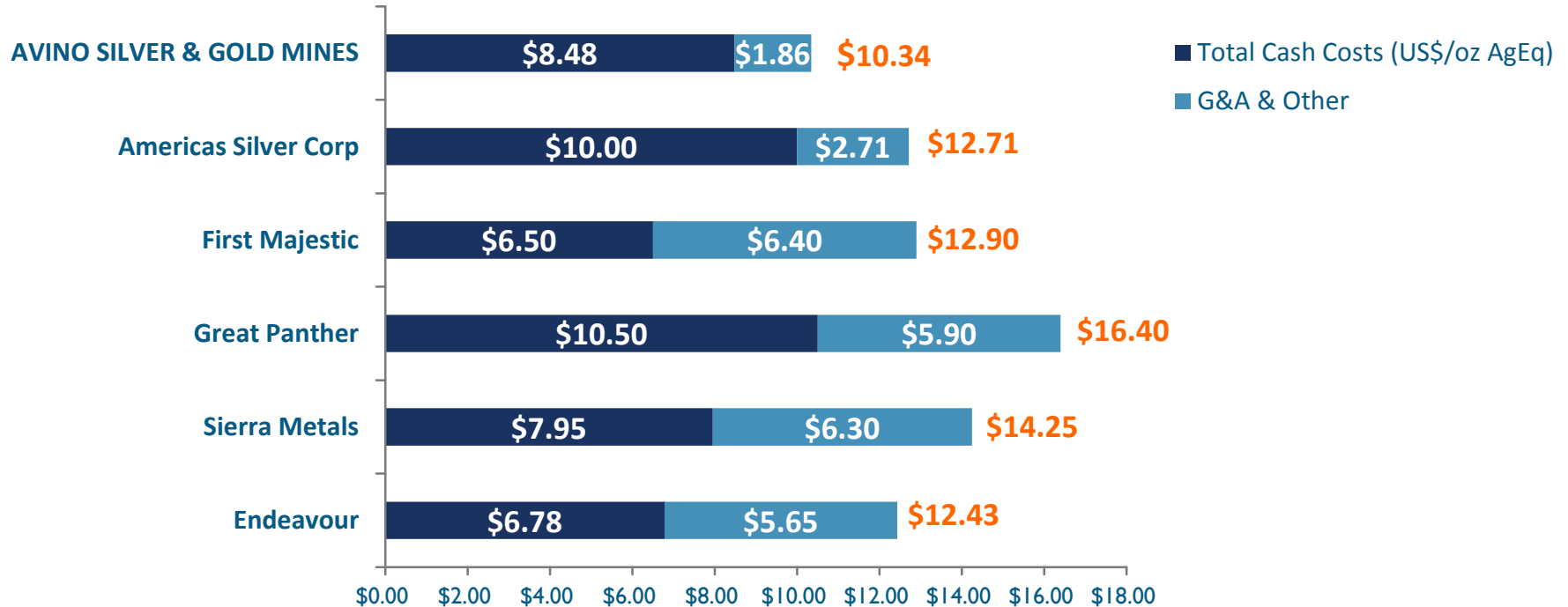
Effective January 1, 2017, the Company changed its presentation currency to US dollars from Canadian dollars. As a result, all dollar amounts in this MD&A are expressed in US dollars, unless otherwise noted. Please refer to the section "Changes in Accounting Standards" for further details regarding the change in presentation currency



	US\$	CAD\$				
	Q1 2017	2016	2015	2014	2013	2012
Revenue	\$8.1 M	\$39.9 M	\$19.1 M	\$19.3 M	\$16.1 M	\$2.3 M
Mine operating income	\$3.5 M	\$14.5 M	\$8.1 M	\$7.9 M	\$7.1 M	\$0.8 M
Earnings for the period	\$0.7 M	\$2.0 M	\$0.48 M	\$2.5 M	\$0.85 M	(\$1.3 M)
Earnings per share	\$0.01	\$0.05	\$0.01	\$0.08	\$0.03	(\$0.05)
AgEq <sup>2</sup> ounces sold	524,356	2,035,618	1,140,029	1,085,029	789,135	87,616
Cash cost <sup>1</sup> per Ag Eq. ounce <sup>2</sup>	\$8.01	\$11.24	\$8.45	\$9.29	\$10.16	\$14.22
All-in sustaining cash cost <sup>1</sup> per AgEq ounce <sup>2</sup> (\$CAD)	-	\$13.70	\$12.14	\$12.24	\$14.39	N/A
All-in sustaining cash cost <sup>1</sup> per AgEq ounce <sup>2</sup> (\$USD)	\$9.55	\$10.34	\$9.49	N/A	N/A	N/A



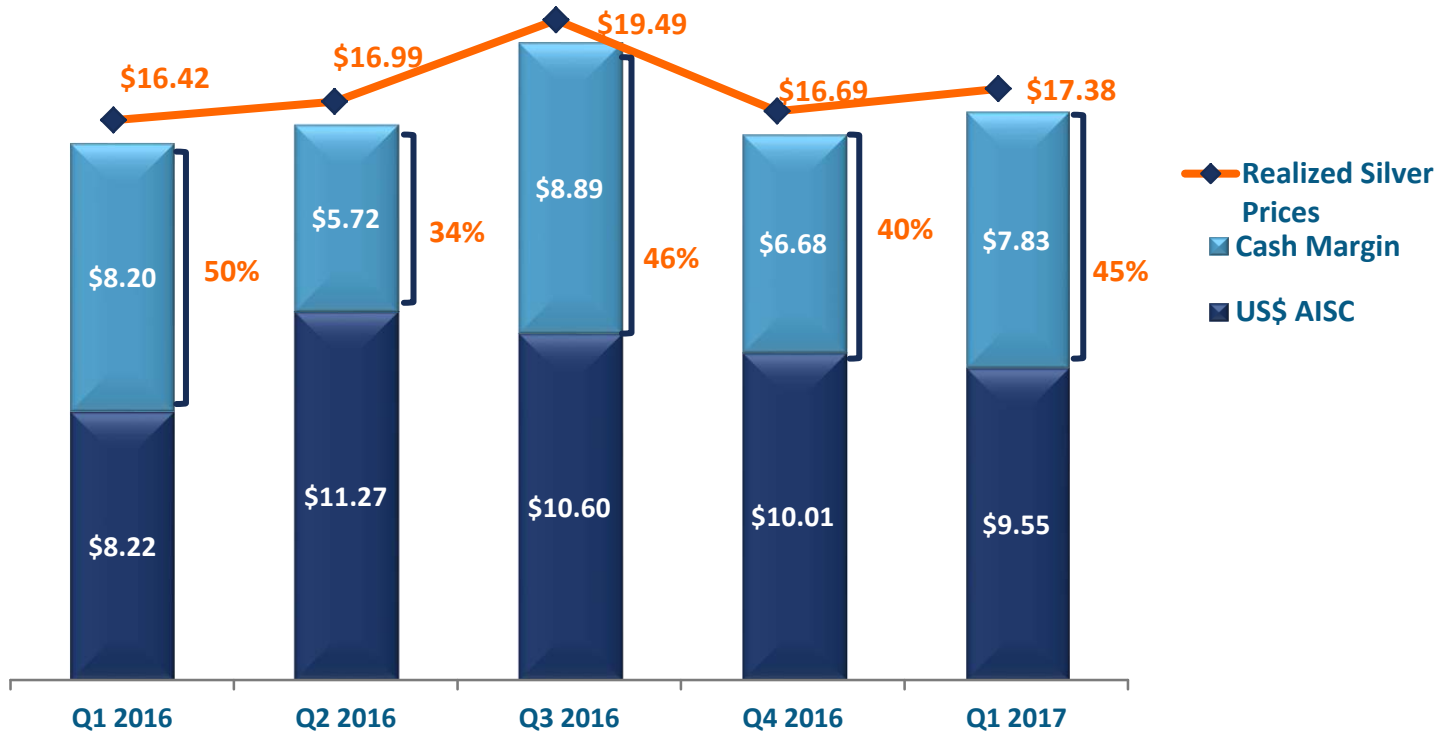
# AISC IN 2016 (US\$) – ASM CONTINUES TO RANK AMONG THE LOWEST COST SILVER PRODUCERS



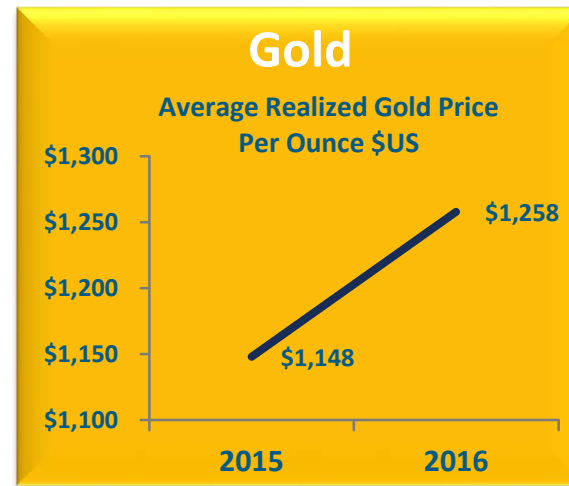
## Cash cost per ounce and all-in sustaining cash cost per ounce

Cash cost per ounce and all-in sustaining cash cost per ounce are measures developed by mining companies in an effort to provide a comparable standard. However, there can be no assurance that our reporting of these non-IFRS measures is similar to that reported by other mining companies. Total cash cost per ounce and all-in sustaining cash cost per ounce are measures used by the Company to manage and evaluate operating performance of the Company's mining operations, and are widely reported in the silver and gold mining industry as benchmarks for performance, but do not have standardized meanings prescribed by IFRS, and are disclosed in addition to IFRS measures.

# RESILIENT SILVER MARGINS

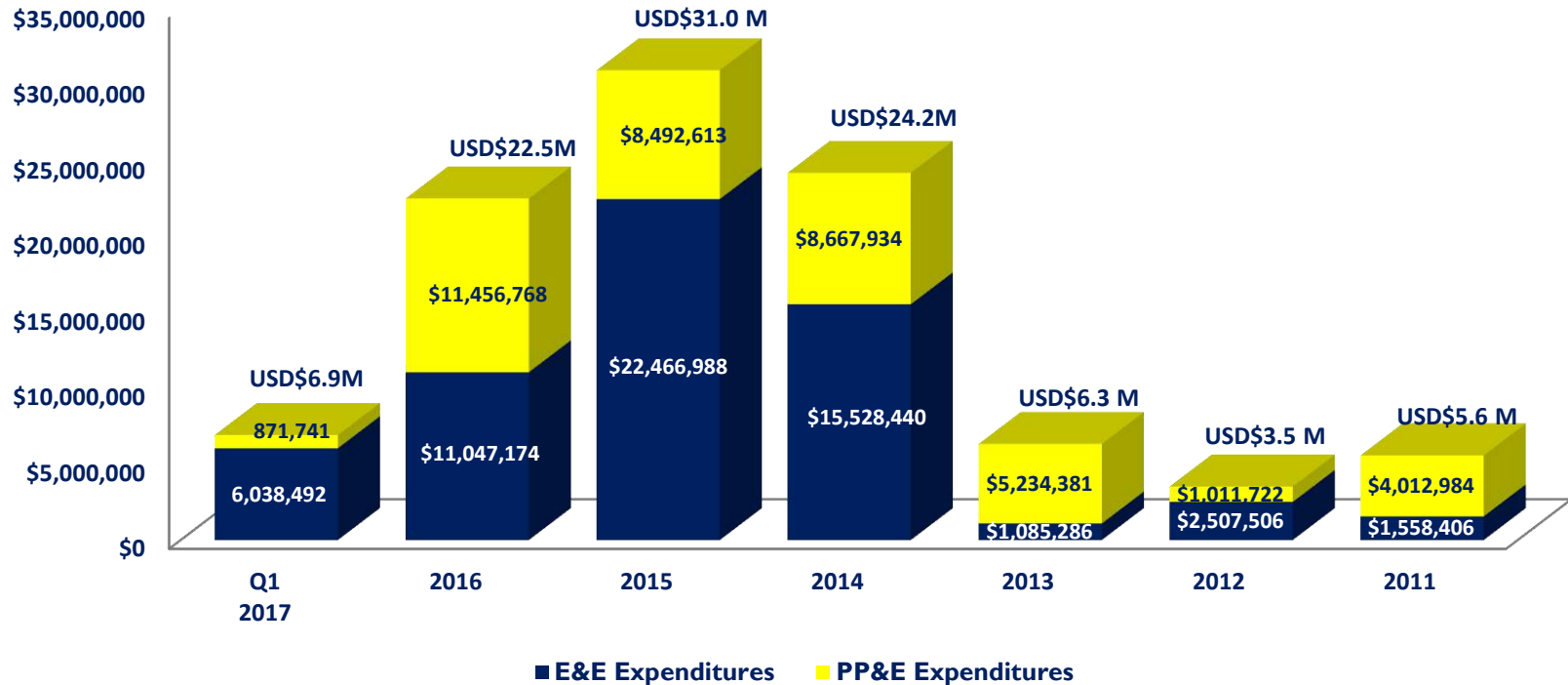


# CAPTURING HIGHER REALIZED SILVER AND GOLD PRICES



Market Improving

# CAPITAL EXPENDITURES – US\$100 MILLION<sup>3</sup> SPENT SINCE 2011



# STRATEGIC PARTNER – SAMSUNG C&T



## SAMSUNG C&T

- Ethical partner
- Avino mine concentrates sold exclusively to Samsung



# 2017

## OBJECTIVES & STRATEGY FOR VALUE CREATION AND GROWTH



### Avino Mine

- Mill expansion – Circuit #4, Increase by 70% to 2,500 tpd - Optimization and automation
- Positive PEA delivered – follow through with next steps
- TSF - Revised internal operating plan underway, based on alternative of using thickened tails as backfill and tailings disposal into the existing open pit
- Drill program extended with an additional 20 holes at the main Avino mine



### Bralorne Gold Project

- Developing a plan for future profitable production
- Continue to work closely with MEM, MOE and First Nations to update permits
- Additional work planned for mill and infrastructure
- Using our resources to build better communities, infrastructure and futures for local residents
- Planning exploration program for the year

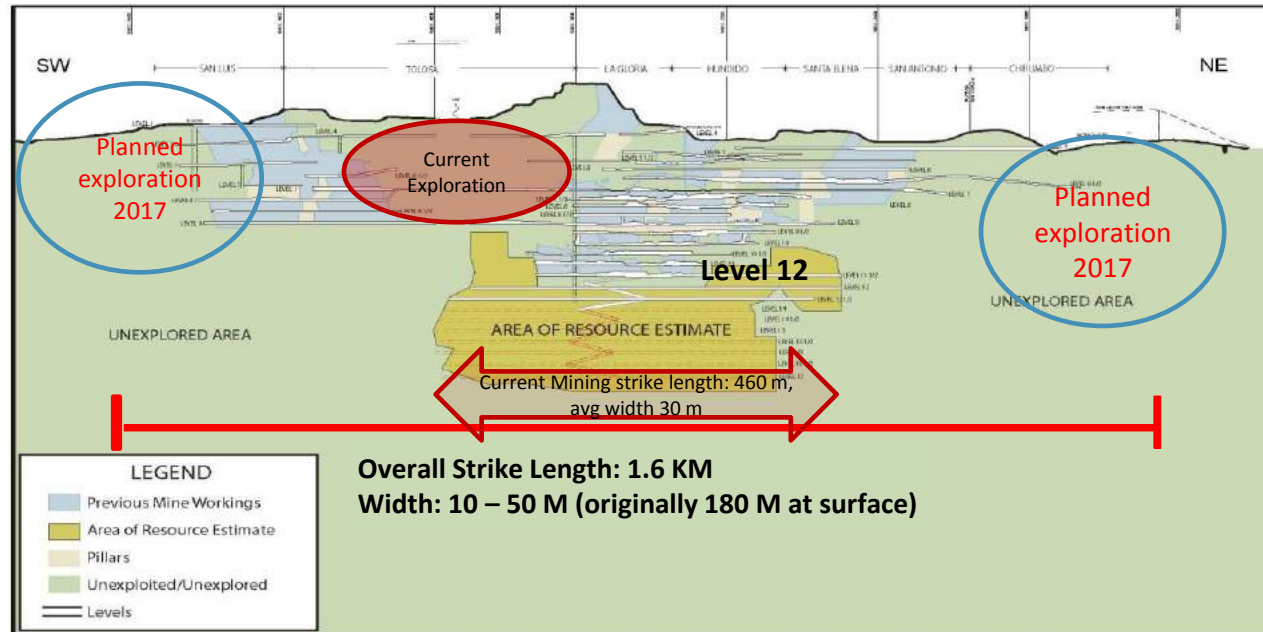
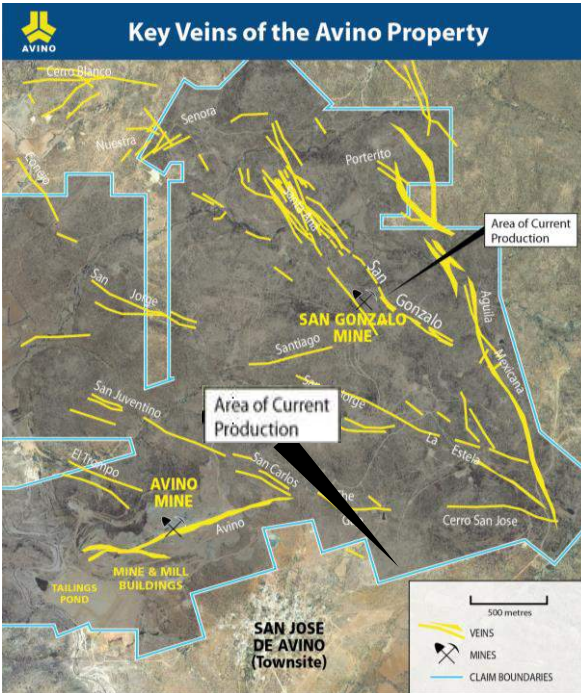


### Avino Oxide Tailings Resource

- Updated positive Preliminary Economic Assessment received
- Complete drilling & metallurgical testing
- Permitting and construction

# GROWTH STRATEGY - AVINO PROPERTY UPSIDE

- Data from ongoing drilling and historic data are all currently being compiled
- Significant unexplored areas remain, Avino vein remains open at depth
- New gold rich area contains at least two sections with continuous significant gold assays



# GROWTH STRATEGY – INCREASING RESOURCES - MEXICO

## NI 43-101 COMPLIANT



Resource Category	Deposit	Metric Tonnes
Total Measured	Avino System & San Gonzalo	1,120,000
Total Indicated	Avino System, San Gonzalo & Oxide Tailings	2,150,000
Total Measured & Indicated	All Deposits	3,270,000
Total Inferred	Avino System, San Gonzalo & Oxide Tailings	8,140,000

\* Complete Resource Estimate update table available on our website <http://www.avino.com/i/pdf/reports/TechReport-Avino-Final.pdf>

## LONG-TERM ORGANIC GROWTH STRATEGY

The effective dates for the resource estimates are August 31, 2016. Mineral Resources are reported at cut-off grades 55, 125 and 50 g/t silver equivalent grade for the Avino, San Gonzalo and oxide tailings respectively as indicated in the table. Silver equivalent cut-off grades were applied to satisfy the condition of reasonable prospects for eventual economic extraction and were calculated using conversion formulas  $AgEQ = Ag + 55.9 * Au + 72.99 * Cu$  for Avino Vein,  $AgEQ = Ag + 69.37 * Au$  for oxide tailings and  $AgEQ = Ag + 56.38 * Au$  for San Gonzalo vein System. Cut-off grades were calculated using current costs, silver price of US\$19.50/oz, gold price of US\$1,250/oz and copper price of US\$2.10/lb.

The mineral resource estimates were prepared by Michael O'Brien P.Geo., Pr.Sci.Nat an employee of QG Australia Pty Ltd (an ARANZ Geo Company) , who is independent of the Company, as defined by Section 1.5 of NI 43-101.

Note: Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to the Indicated or Measured mineral resource category.



# POSITIVE PEA FOR THE OXIDE TAILINGS COMPLETED

## ATTRACTIVE ECONOMICS

### HIGHLIGHTS

- Pre-tax NPV 8% of US\$45M
- Pre-tax IRR of 48.4%
- 2 year pay-back period
- Total capex of US\$28.5 million
- 7 year mine life with LOM of 3.12 million tonnes of oxide tailings material

### PEA BASE CASE

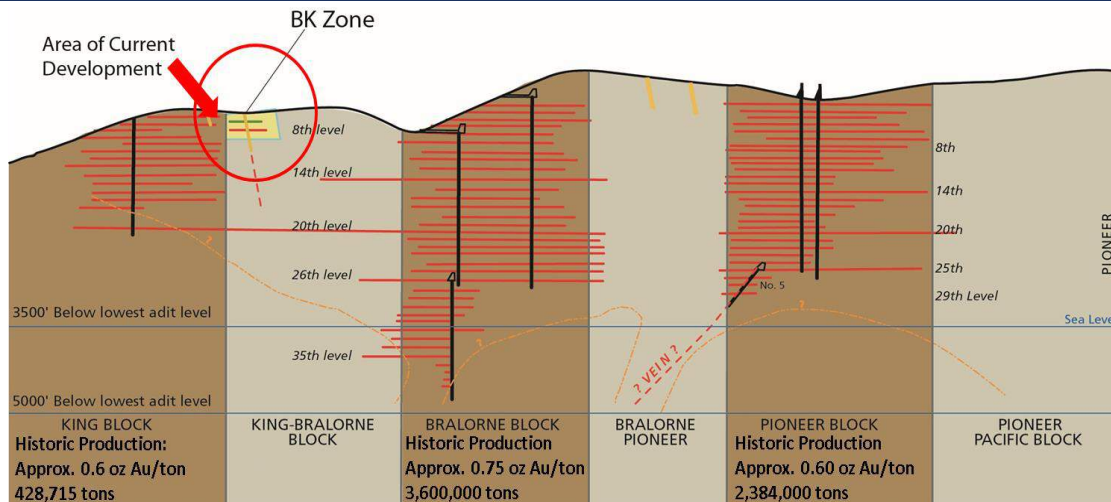
- Metal prices of \$18.50 oz silver, \$1,250 oz gold
- Operating costs – \$47M
- Operating Cash flow - \$95M
- Cash operating costs (US\$/oz Ag payable, net of Au credit) - \$2.21
- Capital Costs (US\$/oz Ag payable) - \$4.85
- Total Costs (US/oz Ag payable) - \$7.07

### Next Steps:

Follow recommendations in Tech Report including the Pre-Feasibility stage

Description	Value
Total Tonnes to Mill	3,122,000
Design Annual Tonnes to Mill	500,000
Plant availability	90%
Mine Life (Years)	7
Average Grades	
Gold (g/t)	0.43
Silver (g/t)	87.75
Total Production	
Gold (ozs)	33,000
Silver (ozs)	6,173,000
Average Annual Production	
Gold (ozs)	4,660
Silver (ozs)	881,920

# BUILDING A FUTURE BRALORNE GOLD MINES – BRITISH COLUMBIA



## Updated Resource Estimate

	Measured			Indicated			Measured and indicated			Inferred		
	Tons	Au opt	Au Ounces	Tons	Au opt	Au Ounces	Tons	Au opt	Au Ounces	Tons	Au opt	Au Ounces
<b>Total</b>	<b>45,922</b>	<b>0.36</b>	<b>16,643</b>	<b>227,201</b>	<b>0.32</b>	<b>74,885</b>	<b>273,123</b>	<b>0.33</b>	<b>91,528</b>	<b>363,527</b>	<b>0.22</b>	<b>83,900</b>

Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to the Indicated or Measured mineral resource category.

The mineral resource estimate is classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum's "CIM Definition Standards - For Mineral Resources and Mineral Reserves" incorporated by reference into National Instrument 43-101 "Standards of Disclosure for Mineral Projects". Mineral Resources are reported at cut-off grades 0.1 ounces per ton gold.

# MODERNIZATION, COMMUNITY AND GROWTH BRALORNE – 2016 HIGHLIGHTS



- ✓ Updated NI 43-101 Resource estimated – **INCREASED TONNAGE AND GOLD OUNCES**
- ✓ Permit applications to resume mining and processing – **ROAD TO PRODUCTION**
- ✓ Long-hole mining to be tested – **COST EFFECTIVE**
- ✓ 2 new scoop trams, jumbo drill and a rock breaker – **MODERNIZING THE MINING FLEET**
- ✓ Deposit on new larger ball mill
- ✓ Purchase of new portable crushing plant
- ✓ Water treatment capability increased – **NEW MICROFILTRATION WATER TREATMENT**
- ✓ Upgrading above ground infrastructure – **FIRST AID & WOMAN'S DRY FACILITIES**
- ✓ Investment in education and training for local First Nations communities  
– **PARTNERING WITH THE COMMUNITY AND BUILDING A MUTUALLY BENEFICIAL FUTURE**

Tailings Dam embankment raise



2 new scoop trams



# CORPORATE SOCIAL RESPONSIBILITY

## ACTIVE ENGAGEMENT WITH FIRST NATIONS



- In 2016, Bralorne, North Island College, the BC government and First Nations completed two educational cohorts to provide basic mining training to 24 members of the St'at'imc First Nation in Lillooet
- Maintaining open lines of communications with First Nations communities
- Working collaboratively with First Nations on mine closure and reclamation plan, water quality and regional economic development

**Working with the  
community to build a  
successful labour force  
skilled in mechanized  
mining**

First group of graduates from the mining training





# ANALYST AND NEWSLETTER COVERAGE

Analyst Coverage	
Company	Analyst
Cantor Fitzgerald Canada	Rob Chang
Euro Pacific Capital Inc.	Bhakti Pavani
H.C. Wainwright & Co.	Heiko Ihle
Roth Capital Partners	Joe Reagor
Noble Financial	Michael Heim

News Letter Coverage	
Publication	Writer
J. Taylor's Gold Energy & Tech Stocks Newsletter	Jay Taylor
Gold Newsletter	Brien Lundin
Seeking Alpha	Various
Smallcap-Investor	Joe Brunner
Struthers Resource Stock Report	Ron Struthers
The Morgan Report	David Morgan
Agora Financial	Byron King
Oxford Club	Sean Broderick

# TRADING AND CAPITALIZATION SUMMARY

## NYSE MARKET: ASM AND TSX.V: ASM



	CAD	USD
Market capitalization	\$110M	\$80M
52 week	\$1.52 - \$4.05	\$1.12 - \$3.14
Closing price – Wednesday, May 24	\$2.09	\$1.58
Shares Outstanding – 52.4 M, Fully Diluted – 59.04 M		

Major Shareholders	
Avino Management	Konwave AG
Aegis Financial Corp.	GAM Investment Management (Switzerland) AG
Oppenheimer Funds Inc.	Pioneer Investments (Austria)
Bard Associates	Charteris Treasury Portfolio Managers
Sprott Asset Management	AIPM Azur International

TSX.V: ASM – 1 Year Chart



NYSE MKT: ASM – 1 Year Chart



# INVESTMENT CASE



## Quality Core assets

- People – low turnover rate
- Junior silver-gold-copper miner focused on growth
- A long and valued history
- Operating in Canada and Mexico



## Low cost producer

- Consistent producer
- Proven track record
- Controlled and maintained our AISC



## Growth Potential

- Pipeline of organic growth opportunities
- Extensive exploration potential at Avino and San Gonzalo mine
- Recent resource update helping to advance the Bralorne project towards profitable production



**AVINO SILVER &  
GOLD MINES LTD.**

Incorporated 1968

Partnered with:



***ASM: NYSE MKT/TSX.V***

**THANK YOU**

**QUESTIONS?**

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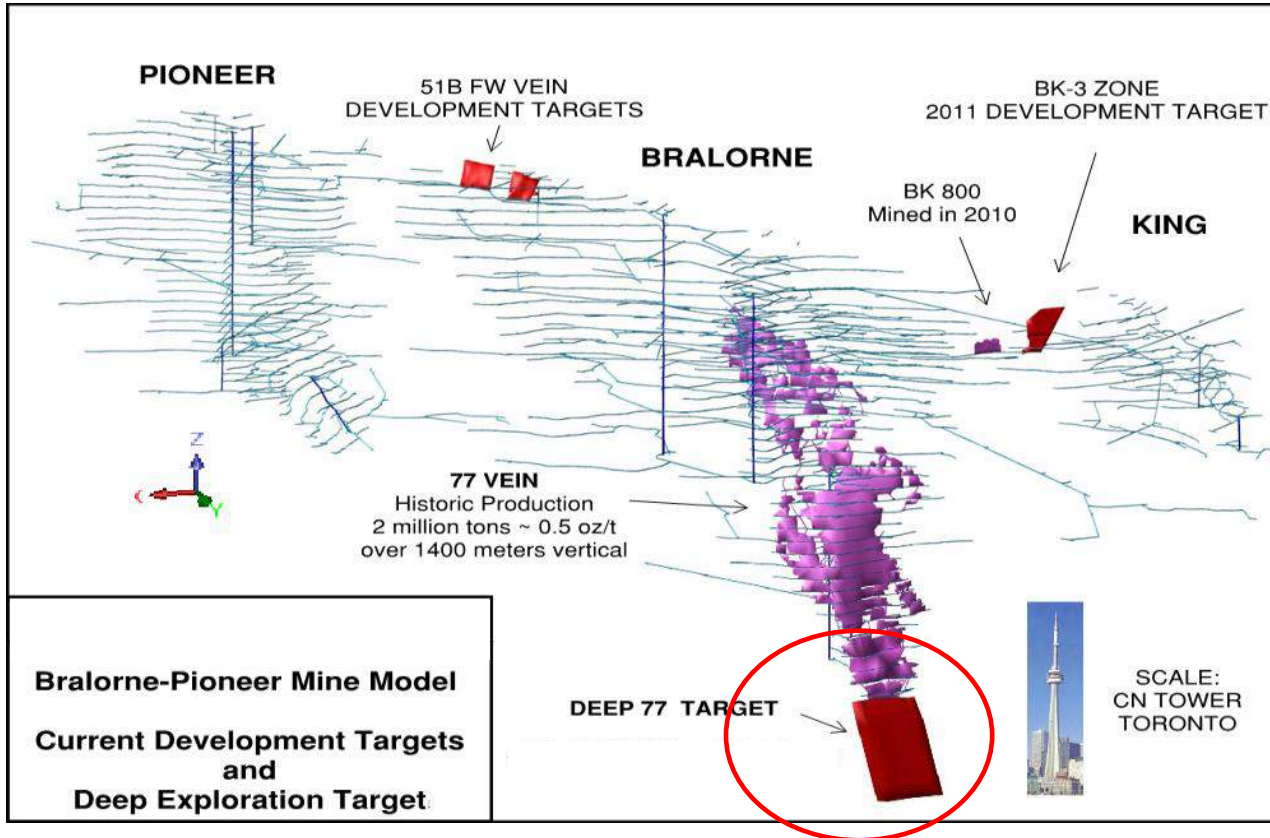
[www.avino.com](http://www.avino.com)



# APPENDIX BRALORNE RESOURCE POTENTIAL

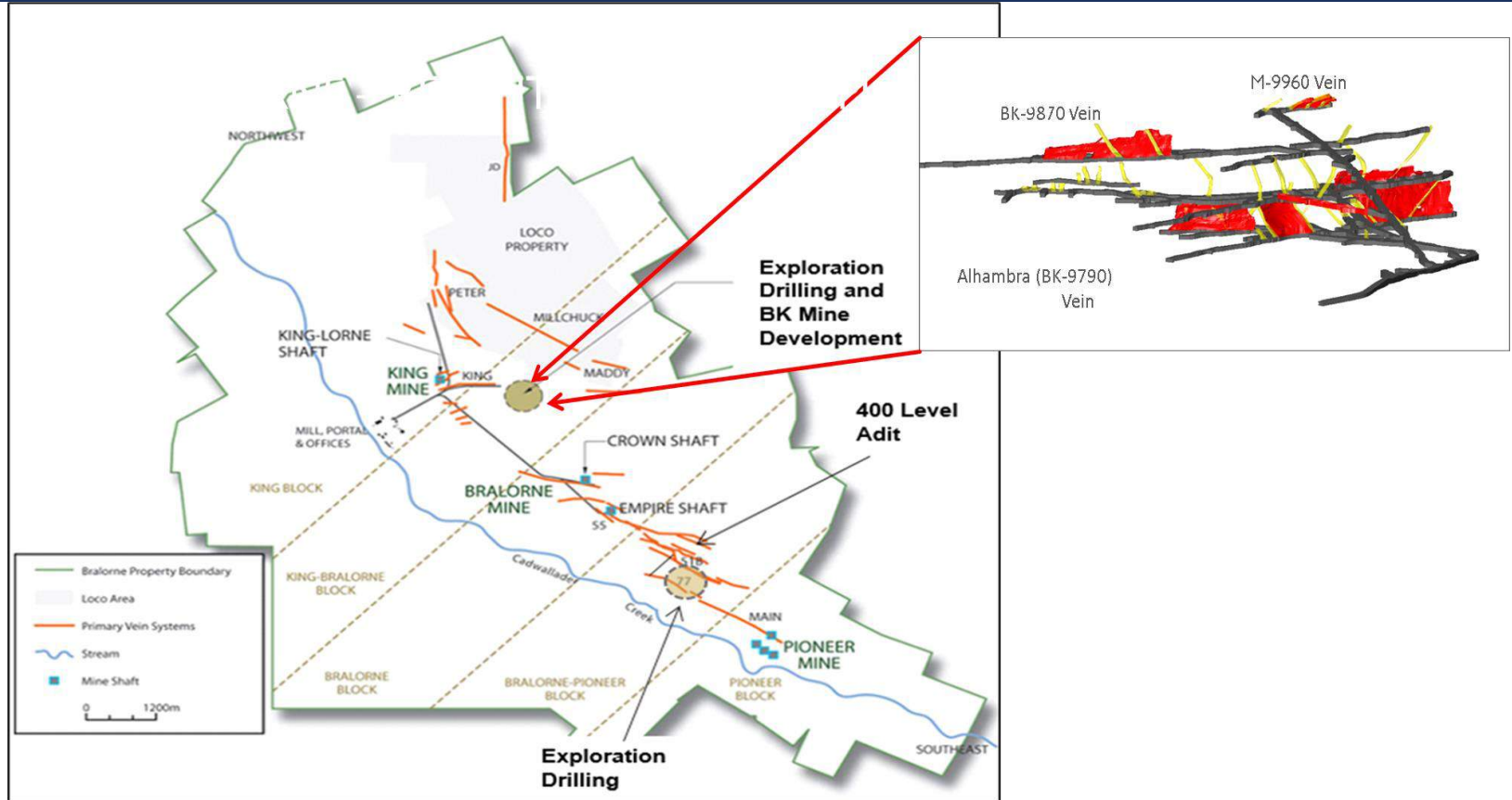


## 77 Vein Deeps



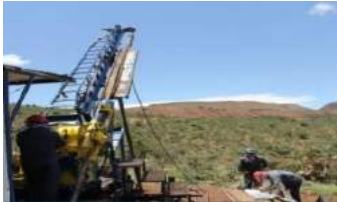
# APPENDIX

## BRALORNE – RECENT FOCUS OF EXPLORATION



# APPENDIX

## KEY MILESTONES



2006 - 2010



2011 - 2012



2013



2014



2015 / 2016

- Acquired remaining 51% interest in the Avino property
- Conducted 33,200 meters of drilling, 80 Km of IP Geophysics, 1,500 soil samples, satellite imagery
- San Gonzalo along with numerous veins and prospective surface showings identified
- Raised CAD\$20 million
- Published maiden resource estimate on San Gonzalo vein
- Began re-building the mill to accommodate 250 TPD San Gonzalo operation
- Began underground development at San Gonzalo

- Processed 10,000 tonne San Gonzalo Bulk Sample
- Completed underground development of San Gonzalo and mill to support a 250 TPD operation
- Published a PEA on the oxide tailings resource
- Listed on NYSE-MKT
- Signed new long-term agreement on the Avino Mine mineral concessions
- Commenced full- scale production at San Gonzalo Q4 2012

- Secured US\$5 million line of credit from Caterpillar for mining equipment
- Reported positive EPS during first quarter of San Gonzalo Production
- Began dewatering Avino Mine
- Published resource estimates on the San Gonzalo and Avino Mines.
- Commissioned Circuit 2 @ 250 TPD
- Continued mill upgrades to bring plant to 1,500 TPD.

- Raised US\$10.7 million through two financings
- Completed de watering the Avino Mine
- Acquired Bralorne Gold Mines Ltd.
- Announced US\$25 million shelf financing through Cantor Fitzgerald
- Re-opened the Avino Mine and completed 1,000 TPD mill expansion

- Began processing new material from the Avino Mine
- Conducted 7,793 meters of drilling at the Bralorne Mine
- Completed construction of a tailings storage facility upgrade at the Bralorne Mine
- Signed \$10 million term facility with Samsung for the sale of Avino Mine concentrate
- Declared commercial production at the Avino Mine

# APPENDIX NEW EQUIPMENT (MEXICO)



Cat 420F Loader



Cat R1600G Scoop



Cat 320 D Rock Breaker



Cat UG20K Grader



Cat 980H Loader



Oldenberg Cannon Jumbo

# APPENDIX NEW EQUIPMENT (CANADA)

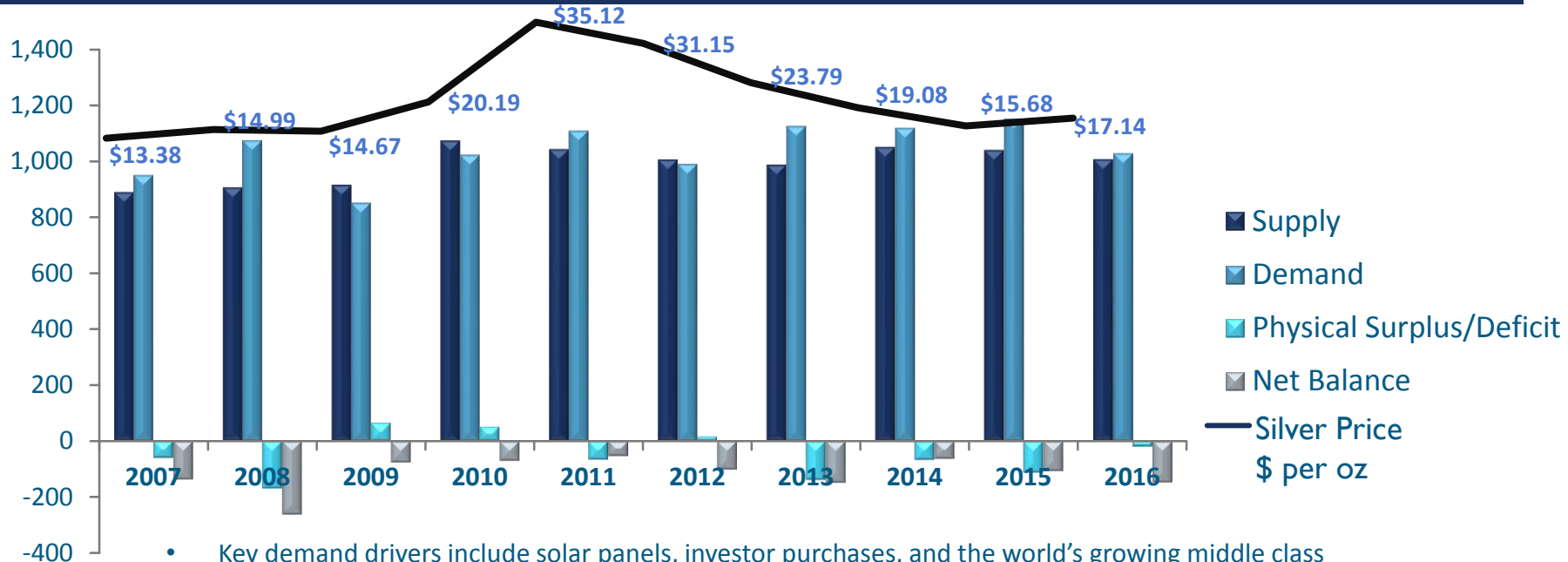


Sandvik 2.5 yd scoops



Cat 966M Loader

# WORLD SILVER SUPPLY AND DEMAND



- Key demand drivers include solar panels, investor purchases, and the world's growing middle class
- Silver demand will grow with more people with disposable income purchasing tools of technology
- China's reversal of the one-child policy
- New uses for silver will grow in medicine, aerospace and electronics

*\* The information on this slide comes directly from the World Silver Survey 2017 Produced for the Silver Institute by the GFMS team at Thomson Reuters*

# APPENDIX

## BENEFITS TO MINING IN MEXICO



- Long history of mining and a workforce trained in exploration and project development
- Mexico is the 5<sup>th</sup> most attractive country to investors in the mining sector by Behre Dolbear just behind Canada, Australia, USA, and Chile
- Strengthened ties of friendship and cooperation between governments of Canada and Mexico
- The mining industry is a key pillar of the economies of Mexico and Canada, and a priority sector in the development plans of both countries
- Mexico welcomes foreign investment in mining
- Canadian mining companies view Mexico as a safe place to invest

*\*The above information is courtesy of the January/February 2017 Promexico Trade and Investment magazine*

# APPENDIX FOOTNOTES



## 1. Cash cost per ounce and all-in sustaining cash cost per ounce

Cash cost per ounce and all-in sustaining cash cost per ounce are measures developed by mining companies in an effort to provide a comparable standard. However, there can be no assurance that our reporting of these non-IFRS measures is similar to that reported by other mining companies. Total cash cost per ounce and all-in sustaining cash cost per ounce are measures used by the Company to manage and evaluate operating performance of the Company's mining operations, and are widely reported in the silver and gold mining industry as benchmarks for performance, but do not have standardized meanings prescribed by IFRS, and are disclosed in addition to IFRS measures.

Management of the Company believes that the Company's ability to control the cash cost per silver equivalent ounce is one of its key performance drivers impacting both the Company's financial condition and results of operations. Achieving a low silver equivalent production cost base allows the Company to remain profitable even during times of low commodity prices, and provides more flexibility in responding to changing market conditions. In addition, a profitable operation results in the generation of positive cash flows, which then improves the Company's financial condition.

The Company has adopted the reporting of "all-in sustaining cash cost per silver equivalent ounce". This measure has no standardized meaning throughout the industry. However, it is intended to provide additional information. Avino presents all-in sustaining cash cost because it believes that it more fully defines the total current cost associated with producing a silver equivalent ounce. Further, the Company believes that this measure allows investors of the Company to better understand its cost of producing silver equivalent ounces, and better assess the Company's ability to generate cash flow from operations. Although the measure seeks to reflect the full cost per silver equivalent ounce of production from current operations, it does not include capital expenditures attributable to mine expansions, exploration and evaluation costs attributable to growth projects, income tax payments, and financing costs. In addition, the calculation of all-in sustaining cash costs does not include depreciation and depletion expense as it does not reflect the impact of expenditures incurred in prior periods. The Company's calculation of all-in sustaining cash costs includes sustaining capital expenditures of \$nil as substantially all of the mining equipment used at San Gonzalo and at the Avino stockpiles has been newly purchased or refurbished. The Company has planned for sustaining capital expenditures in future periods in accordance with mine operating plans and expected equipment utilization levels. Calculated figures may not add up due to rounding

## 2. Silver Equivalent Ounce Calculation

Metal Production is expressed in terms of silver equivalent ounces, (oz Ag Eq.), the formula for which depends on the gold and silver metal prices used in each year and hence are only indicative.

Silver equivalent ounces sold consists of the number of ounces of silver sold plus the number of ounces of gold sold multiplied by the ratio of the average spot gold price to the average spot silver price for the corresponding period.

Metals Prices used to calculate Ag Eq. are as follows: 2012 (\$1700Au, \$34ag), 2013 (\$1300Au, \$20ag), 2014 (\$1300Au, \$20Ag), 2015 (\$1150Au, \$16Ag, \$3 Cu) . In 2016, AgEq was calculated using metals prices of \$17.10 oz Ag, \$1,248 oz Au and \$2.21 lb Cu. AgEq was calculated using \$16 oz Ag, \$1,150 oz Au and \$3.00 Cu.

## 3. USD Exchange Calculation

Cash in U.S. dollars at March 31, 2016 has been translated at the spot rates for USD-MXP and USD-CAD on that date. Cash cost per ounce, all in sustaining cash cost per ounce, and capital expenditures have been translated at average rates of USD-CAD currency exchange for the periods presented.





**CATERPILLAR**



Alfred H Knight



MATERIALS HANDLING



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