



**AVINO SILVER & GOLD MINES LTD.  
("Avino")**

**DISCLOSURE AND CONFIDENTIALITY POLICY**

**PURPOSE OF THE POLICY**

The purpose of this Policy is to establish procedures which permit the disclosure of information about Avino and its subsidiaries to the public in a timely manner and to ensure that when information has not been publicly disclosed it remains confidential. Strict adherence to these policies will help Avino maintain credibility in the marketplace by ensuring that all investors in securities of Avino have equal access to information that may affect their investment decisions.

**DEFINITIONS USED IN THIS POLICY**

"**Disclosure Committee**" consists of Avino's Chief Executive Officer ("**CEO**"), President ("**President**"), Chief Operating Officer ("**COO**"), Chief Financial Officer ("**CFO**"), Corporate Secretary ("**CS**") and Investor Relations Officer ("**IRO**"), Qualified Person(s) ("**QP**") and such other persons as are designated from time to time by the board of directors of Avino (the "**Board**");

"**Disclosure Officer**" means the individual who is responsible for communicating with analysts, the news media and investors and ensuring that other Employees do not communicate confidential information about Avino;

"**Employees**" means all individuals currently employed by Avino, including directors and officers, who may become aware of Undisclosed Material Information;

"**Exchange**" means the TSX Venture Exchange, NYSE-MKT, and any other stock exchange on which the securities of Avino are listed from time to time;

"**IIROC**" means the Investment Industry Regulatory Organization of Canada;

"**Material Change**" means a change in the business, operations or capital of Avino that would reasonably be expected to have a significant effect on the market price or value of any of the securities of Avino and includes a decision to implement the change by the Board or by senior management of Avino who believe that confirmation of the decision by the Board is probable;

"**Material Fact**" means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of Avino's securities;

**"Material Information"** means any information (Material Fact or Material Change) relating to the business and affairs of Avino that results in or would reasonably be expected to result in a significant change in the market price or value of any of Avino's securities; and

**"Undisclosed Material Information"** means Material Information pertaining to Avino that has not been publicly disclosed or information that has been publicly disclosed, but a reasonable period of time for its dissemination has not passed.

## **TERMS OF THIS POLICY**

If there is any question or concern with respect to the application of this Policy to any Employee of Avino or to any particular circumstance, the Disclosure Officer should be contacted for guidance.

## **DISCLOSURE**

### **1. Timely Disclosure**

Avino will publicly disclose Material Information concerning its business and affairs immediately upon it becoming apparent that the information is material except in restricted circumstances where immediate release of the information would be unduly detrimental to the interests of Avino, where immediate release of the information may compromise certain strategic business opportunities of Avino or where the information may not be disclosable due to third-party confidentiality restrictions or uncertainty of events (and where Avino complies with any confidential filing obligations and maintains confidentiality of the information). The determination of when to not disclose Material Information immediately will be made by the Disclosure Committee. Unusual trading marked by significant changes in the price of trading volumes of any of Avino's securities prior to the announcement of Material Information is embarrassing to Avino and damages the reputation of Avino with the investing public.

Disclosure will be prepared in compliance with applicable laws and policies.

### **2. Disclosure Officer**

For purposes of this Policy, and unless other persons are designated by Board, the CEO (primary) and CFO (backup) have been designated as the Disclosure Officers. The names of these individuals shall be given to the market surveillance divisions of the Exchange as Avino contacts.

Generally, the Disclosure Officer or other specific persons authorized by the CEO are the only individuals authorized to communicate with analysts, the news media and investors about information concerning Avino. If it is appropriate for another Employee to discuss information about Avino, the Employee should, if possible, first advise the Disclosure Officer of the nature of the information to be discussed and, afterwards, advise the Disclosure Officer of what actually was discussed. Employees are prohibited from communicating Undisclosed Material Information about Avino unless they have prior permission from the Disclosure Officer, which permission shall not be given unless:

- (a) the information has been publicly disclosed; or

- (b) if it has been determined that the information is to be kept confidential pursuant to Part II of this Policy, all rules and procedures under Part II hereof to maintain confidentiality have been complied with.

In addition, if any Employee becomes aware of any information which may constitute Material Information with respect to Avino, the Employee must advise the Disclosure Officer as soon as possible.

### **3. What Constitutes Material Information?**

Information is material if it would reasonably be expected to result in a significant change in the market price or value of any of Avino's securities. A good rule of thumb is that if the information would influence an investor's decision to buy or sell securities of Avino, the information is probably material. Employees who are unsure whether or not information is material should immediately contact the Disclosure Officer before disclosing it to anyone. Employees should err on the side of caution in such matters. If the Disclosure Officer is unable to determine whether or not the information is material, he may convene a meeting of the Disclosure Committee, or of senior management and, if necessary, the board of directors, to determine if the information is material, whether or not it should be disclosed or remain confidential, and if the information needs to be disclosed, the method for disseminating the information.

### **4. Basic Disclosure Rules**

All public disclosure of Material Information pursuant to this Policy must be made by way of press release disseminated through a newswire service company.

In order to maintain consistent and accurate disclosure about Avino, the following rules must be followed:

- (a) Half-truths are misleading. Disclosure must include any information without which the rest of the disclosure would be misleading;
- (b) Unfavourable information must be disclosed as promptly and completely as favourable information;
- (c) No selective disclosure. Previously undisclosed information should not just be disclosed to selected individuals; if there is disclosure it must be done widely, i.e. by way of a press release;
- (d) Disclosure must be updated if earlier disclosure has become misleading as a result of intervening events; and
- (e) If Material Information is to be announced at an analyst or shareholder meeting or a press conference, its announcement must be coordinated with a general public announcement by a press release.

### **5. Correction of Selective Disclosure**

If previously Undisclosed Material Information has been inadvertently disclosed to an analyst or any other person, the information must be publicly disclosed promptly.

## **6. Contact with Analysts**

The Disclosure Officer should avoid getting involved in the contents of an analyst's report, except to correct factual errors. Confirmation of or attempting to influence an analyst's opinions or conclusions may be considered to be disclosure by Avino. "**No comment**" is an acceptable answer to questions that cannot be answered without violating the rule against selective disclosure. To the greatest extent practicable, more than one Disclosure Officer or persons specifically authorized by the CEO from Avino should be present at each meeting with analysts or the media. After such a meeting, if the Disclosure Officer or authorized spokesperson has any concerns regarding the information disclosed, he or she should discuss the matter with the CEO or legal counsel.

## **7. Notification of Market Surveillance**

If required or if otherwise applicable in the circumstances, the Disclosure Officer or other specific persons authorized by the CEO should supply a copies of press releases to IIROC and should seek assistance and direction from IIROC as to whether an announcement should be released and whether trading in the securities should be halted for the dissemination of an announcement.

## **8. Disclosure Records**

The Disclosure Officer or his designate will maintain a file containing all public information about Avino. This includes news releases, brokerage research reports, reports in the press and notes from meetings with analysts or shareholders.

## **PART II - CONFIDENTIALITY**

### **1. When Information May Be Kept Confidential**

Where the immediate disclosure of Material Information concerning the business and affairs of Avino would be unduly detrimental to the interests of Avino (and where Avino complies with any confidential filing obligations and maintains confidentiality of the information), its disclosure may be delayed and kept confidential temporarily. Keeping information confidential can only be justified where the potential harm to Avino or to investors caused by immediate disclosure may reasonably be considered to outweigh the undesirable consequences of delaying disclosure.

Examples of circumstances in which disclosure might be unduly detrimental to the interests of Avino include:

- (a) Where the release of information would prejudice the ability of Avino to pursue specific and limited objectives or to complete a transaction or series of transactions that are underway;
- (b) Where the disclosure of the information would provide competitors with confidential corporate information that would be of significant benefit to them; or
- (c) Where the disclosure of information concerning the status of ongoing negotiations would prejudice the successful completion of those negotiations.

All decisions to keep Material Information confidential must be made by either the Disclosure Committee or the board of directors of Avino.

## **2. Access to Confidential Information**

Employees shall be given access to confidential information on an "as needed" basis only and must not disclose that information to anyone except in the ordinary course of business. Confidential information may be disclosed if this disclosure takes place as part of the ordinary course of business with, and is pertinent to, the ongoing business relationship between Avino and such parties as:

- (a) vendors, suppliers, or strategic partners on issues such as research and development, sales and marketing, and supply contracts;
- (b) employees, directors and officers;
- (c) lenders, legal counsel, auditors, underwriters, and financial and other professional advisors to Avino;
- (d) parties to negotiations;
- (e) labour unions and industry associations;
- (f) government agencies and non-governmental regulators; and
- (g) credit rating agencies (provided that the information is disclosed for the purpose of assisting the agency to formulate a credit rating and the agency's ratings generally are or will be publicly available).

Employees must not discuss confidential information in situations where they may be overheard or participate in discussions regarding decisions by others about investments in Avino.

In certain circumstances the Disclosure Officer may assign a "code name" to confidential information. Employees should utilize the "code name" at all times when discussing the confidential information. Printed documents containing confidential information shall be stored in a secured cabinet and access to these documents on Avino's computer network must be restricted.

## **3. Maintaining Confidentiality**

In the event that confidential Material Information, or rumours respecting the same, is divulged in any manner (other than in the necessary course of business), consideration should be given as to whether immediate disclosure of the relevant Material Information must be made by Avino, and a trading halt may be instituted by the Exchange pending release and dissemination of the information. If required or if otherwise applicable in the circumstances, IIROC should be notified of the announcement in advance in the usual manner.

#### **4. Disclosure of Information to Outsiders**

Before a meeting with other parties at which Undisclosed Material Information of Avino may be discussed, the other parties should be told that they must not divulge that information to anyone else, other than in the necessary course of business, and that they may not trade in Avino's securities until the information is generally publicly disclosed, being until at least 24 hours after the information is publicly disclosed.

#### **5. Penalties**

Where Avino determines that this Policy has been violated and it is able to identify the individual Employee or Employees that breached this Policy, Avino will take its own disciplinary actions, which could result in termination of employment or implementation of a probationary period. Avino is also entitled to pursue its legal remedies through the courts. If appropriate, Avino will report the matter to the regulatory authorities.

#### **6. Policy Review**

Avino will review this Policy regularly to ensure that it is achieving its purpose. Based on the results of the review, the Policy may be revised accordingly.

#### **EFFECTIVE DATE**

This Policy was approved and adopted by the Board of Directors of Avino with immediate effect on February 14, 2017 (the "**Effective Date**")