



# AVINO SILVER & GOLD MINES LTD.

T 604.682.3701 Suite 900, 570 Granville Street ir@avino.com  
F 604.682.3600 Vancouver, BC V6C 3P1 www.avino.com

NYSE - MKT: **ASM**

TSX-V: **ASM**

FSE: **GV6**

August 18, 2015

## **Avino Reports Q2 2015 Financial Results: Earnings of \$361,655 and \$0.01 Per Share; and Cash Flow from Operations of \$768, 381 and \$0.02 Per Share**

**Avino Silver & Gold Mines Ltd. (ASM: TSX-V, ASM: NYSE-MKT, GV6: FSE, "Avino" or "the Company")** is pleased to report its financial results for the second quarter ended June 30, 2015. All financial information, other than non-IFRS measures, is prepared in accordance with IFRS and all dollar amounts are expressed in Canadian dollars unless otherwise specified. The information in this news release should be read in conjunction with the Company's condensed consolidated interim financial statements for the six months ended June 30, 2015, and associated management's discussion and analysis ("MD&A") which are available on the Company's website at [www.avino.com](http://www.avino.com) and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

"Avino is pleased to report another successful quarter of financial and operational results. We have maintained an efficient cost structure while advancing and expanding our operations. Our low all-in sustaining consolidated cash costs of \$11.72 per AgEq is consistent with previous quarters and we continue to review opportunities to further reduce costs and improve efficiencies. Softer metal prices continue to present challenges however our strong financial and operational condition, and the recent receipt of \$US10 million prepayment from Samsung, has well positioned the Company to advance and meet its objectives." stated Malcolm Davidson, CFO.

### **Highlights of the Three Months Ended June 30, 2015 (Compared to Q2 2014)**

#### **Financial**

- Consolidated all-in sustaining cash cost per AgEq ounce<sup>1</sup> was \$11.72 in the second quarter of 2015 compared to \$12.02 in the second quarter of 2014;
- Revenues reported for the quarter were \$5,908,883 compared to \$5,104,921 in the comparable quarter of 2014, an increase of 16%;
- Income from mine operations was \$2,372,903 in the second quarter of 2015, an increase of \$60,975 from the second quarter of 2014;
- General and administrative expenses were \$1,094,459 in the second quarter of 2015 compared to \$931,935 in the second quarter of 2014;
- Earnings before income taxes were \$1,214,429 in the second quarter of 2015 compared to \$440,797 in the second quarter of 2014;
- Earnings for the second quarter of 2015 were \$361,655, an increase of \$448,752 from the second quarter of 2014;
- Earnings per share, basic and diluted, was \$0.01 in the second quarter of 2015 compared to losses per share of \$0.00 in the second quarter of 2014;
- Average realized prices per ounce of silver and gold were US\$16.20 and US\$1,187 respectively for the second quarter 2015, and US\$19.59 and US\$1,283 respectively for the second quarter of 2014;

<sup>1</sup> Silver equivalent ounces sold ("AgEq ounce") 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. Please refer to the information under the heading "Non-IFRS Measures" of this news release for a discussion of cash cost per silver equivalent ounce, all-in sustaining cash cost per silver equivalent ounce, and cash flow per share.

- Cash flows from operations before movements in working capital were \$768,381 during the second quarter of 2015, compared to \$2.3 million for the comparative period;
- Cash flow per share<sup>1</sup>, basic and diluted, was \$0.02 per share for the second quarter of 2015, compared to \$0.07 per share for the corresponding period of the previous year.

## Operational

- Silver equivalent production for the second quarter of 2015 increased 167% to 819,229 oz\* compared to 306,342 oz in the second quarter of 2014;
- Silver production for the second quarter of 2015 increased 102% to 451,505 oz compared to the second quarter of 2014;
- Gold production for the second quarter of 2015 increased by 63% to 1,891 oz compared to 1,157 the second quarter of 2014;
- Copper production continued from startup phase in late 2014, and 1,236,622 lbs were recovered during the second quarter.

## Financial Review

The Company generated revenues of \$5,908,883 during the second quarter of 2015, a 16% increase compared to the second quarter of 2014.

Mine operating income was \$2,372,903, an increase of \$60,975 or 3% from \$2,311,928 during the second quarter of 2014. During the second quarter of 2015, net income increased by \$448,752 to \$361,655 or \$0.01 per share, compared to a net loss of (\$87,097) or \$0.00, basic and diluted per share during the second quarter of 2014.

Cash flow from operations before movements in working capital during the second quarter of 2015 was \$768,381, a decrease of 67% from the \$2.3 million generated during the second quarter of 2014.

## Operational Review

- Total silver equivalent production in the second quarter of 2015 increased to 819,299 silver equivalent ounces\*, an increase of 167% compared to the corresponding period in 2014. The production growth was due to the completed refurbishment of the 1,000 tonne per day Mill Circuit 3 used to process new underground material from the Avino Mine.
- Total mill feed processed during the second quarter of 2015 was 135,767 dry tonnes compared to 40,052 dry tonnes during the second quarter of 2014, an increase of 239%.

## Costs and Capital Expenditures

Consolidated all-in sustaining cash costs per AgEq ounce<sup>1</sup> during the second quarter of 2015 were \$11.72 compared to \$12.02 during the corresponding period of 2014, a decrease of 2%.

Capital expenditures during the second quarter of 2015, net of concentrate proceeds, were \$1,965,268 compared to \$2,231,300 for the comparable quarter last year.

Capital expenditures primarily relate to the Avino mine advancement, the process plant expansion for Mill Circuit 3, and equipment to advance operations at the San Gonzalo and Avino mines.

*\* For comparison purposes, the silver equivalent ratio has been calculated using metal prices of \$16 oz Ag, \$1,150 oz Au and \$3.00 Lb Cu. Mill production figures have not been reconciled and are subject to adjustment with concentrate sales. Calculated figures may not add up due to rounding.*

*<sup>1</sup> Silver equivalent ounces sold ("AgEq ounce") 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. Please refer to the information under the heading "Non-IFRS Measures" of this news release for a discussion of cash cost per silver equivalent ounce, all-in sustaining cash cost per silver equivalent ounce, and cash flow per share.*

## **Avino Mine**

On January 1, 2015, Mill Circuit 3 began processing new material taken from underground at the Avino Mine.

Silver equivalent ounces\* produced during the second quarter of 2015 totalled 438,823. This represents an increase of 23% compared to the first quarter of 2015 as there was no production from the Avino Mine during the comparable quarter in 2014.

## **San Gonzalo Mine**

Silver equivalent ounces\* produced during the second quarter of 2015 totalled 251,571. This represents an insignificant change compared to the same period 2014.

All-in sustaining cash costs during the second quarter of 2015 were \$12.91 per AgEq ounce<sup>1</sup> compared to \$11.70 in the second quarter of 2014, an increase of 10%.

## **Mill Circuit 2**

Based on the consideration of feed grades, recovery rates, and smelter returns, during the three months ended June 30, 2015, Mill Circuit 2 was used to process both San Gonzalo stockpile mill feed as well as historic above ground stockpiles left from past mining of the Avino vein. The material from San Gonzalo was processed during April and June and the historic stockpiles were processed in May. Combined output from Mill Circuit 2 for the quarter was 95,630 oz Ag and 463 oz Au, or 128,905 oz AgEq\*.

The Company will continue to assess the optimal feed material for Mill Circuit 2 based on metals prices, feed grades, recovery rates, concentrate grades and other factors. During the third quarter of 2015, the Company plans to use Mill Circuit 2 to process mill feed from the main Avino Mine.

## **Bralorne Mine**

Exploration and advancement at Bralorne continued throughout the second quarter. The Company intends to commence construction of its tailings embankment raise next week and plans to restart operations in the coming months.

## **Non-IFRS Measures**

The financial results in this news release include references to cash flow per share, cash cost per silver equivalent ounce, and all-in sustaining cash cost per silver equivalent ounce, each of which are non-IFRS measures. Cash flow per share, 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 of performance. However, there can be no assurance that our reporting of these non-IFRS measures is similar to that reported by other mining companies. Cash flow per share, cash cost per silver equivalent ounce, and all-in sustaining cash cost per silver equivalent 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 the prescribed IFRS measures provided in the Company's financial statements and MD&A.

*\* For comparison purposes, the silver equivalent ratio has been calculated using metal prices of \$16 oz Ag, \$1,150 oz Au and \$3.00 Lb Cu. Mill production figures have not been reconciled and are subject to adjustment with concentrate sales. Calculated figures may not add up due to rounding.*

*<sup>1</sup> Silver equivalent ounces sold ("AgEq ounce") 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. Please refer to the information under the heading "Non-IFRS Measures" of this news release for a discussion of cash cost per silver equivalent ounce, all-in sustaining cash cost per silver equivalent ounce, and cash flow per share.*

## Conference Call

Avino will be holding a conference call on Wednesday, August 19, 2015 at 8 am PST (11 am EST).

To participate in the conference call, please dial the following:

Toll Free Canada & USA: 1-800-319-4610  
Outside of Canada & USA: 1-604-638-5340

No pass-code is necessary to participate in the conference call; participants will have the opportunity to ask questions during the Q&A portion of the call.

Participants should dial in 10 minutes prior to the conference.

The conference call will be recorded and the replay will be available on the Company's web site within one hour following the conclusion of the call.

## Qualified Person(s)

Avino's Mexican projects are under the supervision of Chris Sampson, P.Eng, Avino consultant and Jasman Yee P.Eng, Avino director, who are both qualified persons within the context of National Instrument 43-101. Both have reviewed and approved the technical data in this news release.

## Outlook

Avino's mission is to create shareholder value through profitable organic growth at the historic Avino property near Durango, Mexico, and the Bralorne property in southwestern British Columbia, Canada. We are committed to managing all business activities in an environmentally responsible and cost-effective manner while contributing to the well-being of the communities in which we operate.

Management remains focused on the following key objectives:

1. Maintain profitable mining operations while managing operating costs and improving efficiencies;
2. Integrate Bralorne Gold Mine's operations into Avino's corporate structure;
3. Continue to explore regional targets on the Avino Property followed by other properties in our portfolio; and
4. Assess the potential for processing the oxide tailings resource from previous milling operations (PEA issued in 2012).

## ON BEHALF OF THE BOARD

*"David Wolfin"*

---

David Wolfin  
President & CEO  
Avino Silver & Gold Mines Ltd.

*Safe Harbor Statement - This news release 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, establishment, and extent of resource estimates. These forward-looking statements are made as of the date of this news release 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*

*\* For comparison purposes, the silver equivalent ratio has been calculated using metal prices of \$16 oz Ag, \$1,150 oz Au and \$3.00 Lb Cu. Mill production figures have not been reconciled and are subject to adjustment with concentrate sales. Calculated figures may not add up due to rounding.*

*<sup>1</sup> Silver equivalent ounces sold ("AgEq ounce") 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. Please refer to the information under the heading "Non-IFRS Measures" of this news release for a discussion of cash cost per silver equivalent ounce, all-in sustaining cash cost per silver equivalent ounce, and cash flow per share.*

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 price 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 Securities 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 release.

\* For comparison purposes, the silver equivalent ratio has been calculated using metal prices of \$16 oz Ag, \$1,150 oz Au and \$3.00 Lb Cu. Mill production figures have not been reconciled and are subject to adjustment with concentrate sales. Calculated figures may not add up due to rounding.

<sup>1</sup> Silver equivalent ounces sold ("AgEq ounce") 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. Please refer to the information under the heading "Non-IFRS Measures" of this news release for a discussion of cash cost per silver equivalent ounce, all-in sustaining cash cost per silver equivalent ounce, and cash flow per share.