AVINO SILVER & GOLD MINES LTD.

Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and 2023

(Unaudited)

AVINO SILVER & GOLD MINES LTD.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in thousands of US dollars - Unaudited)

	Note		March 31, 2024		December 31, 2023
ASSETS					
Current assets					
Cash		$	3,474	$	2,688
Amounts receivable			1,856		3,303
Amounts due from related parties	**10(b)**		194		167
Taxes recoverable	**4**		6,502		6,580
Prepaid expenses and other assets			2,077		1,971
Inventory	**5**		8,338		8,826
Total current assets			22,441		23,535
Exploration and evaluation assets	**7**		51,911		50,111
Plant, equipment and mining properties	**9**		52,550		53,069
Long-term investments	**6**		1,043		934
Other assets			699		691
Total assets		$	128,644	$	128,340
LIABILITIES					
Current liabilities					
Accounts payable and accrued liabilities		$	10,713	$	11,867
Taxes payable			189		127
Current portion of finance lease obligations			1,590		1,650
Current portion of equipment loans			164		164
Total current liabilities			12,656		13,808
Finance lease obligations			1,159		1,445
Equipment loans			151		195
Reclamation provision	**11**		2,264		2,195
Deferred income tax liabilities			4,614		4,696
Total liabilities			20,844		22,339
EQUITY					
Share capital	**12**		153,088		151,688
Equity reserves			10,952		11,041
Treasury shares			(97)		(97)
Accumulated other comprehensive loss			(5,319)		(5,208)
Accumulated deficit			(50,824)		(51,423)
Total equity			107,800		106,001
Total liabilities and equity		$	128,644	$	128,340

Commitments – Note 15

Approved by the Board of Directors on May 8, 2024.

Peter Bojtos Director   *David Wolfin* Director

The accompanying notes are an integral part of the condensed consolidated interim financial statements

AVINO SILVER & GOLD MINES LTD.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income (Loss)
(Expressed in thousands of US dollars, other than per share amounts - Unaudited)

	Note		Three months ended March 31, 2024		2023
Revenue from mining operations	**13**	$	12,393	$	9,825
Cost of sales	**13**		10,054		7,974
Mine operating income			2,339		1,851
Operating expenses					
General and administrative expenses	**14**		1,272		1,184
Share-based payments	**12(c)(d)**		423		339
			644		328
Other items					
Interest and other income			3		209
Gain (loss) on long-term investments	**6**		132		(319)
Fair value adjustment on warrant liability			-		(293)
Foreign exchange gain (loss)			80		(136)
Finance cost			(2)		(74)
Accretion of reclamation provision	**11**		(51)		(11)
Interest expense			(90)		(45)
Income (loss) before income taxes			716		(341)
Income taxes:					
Current income tax expense			(199)		(25)
Deferred income tax recovery			82		14
Income tax expense			(117)		(11)
Net income (loss)			599		(352)
Other comprehensive income (loss)					
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences			(111)		(263)
Total comprehensive income (loss)		$	488	$	(615)
Earnings (loss) per share	**12(e)**				
Basic			$0.00	$	(0.00)
Diluted			$0.00	$	(0.00)
Weighted average number of common shares outstanding	**12(e)**				
Basic			130,027,962		118,572,700
Diluted			133,022,671		122,602,929

The accompanying notes are an integral part of the condensed consolidated interim financial statements

AVINO SILVER & GOLD MINES LTD.
Condensed Consolidated Interim Statements of Changes in Equity
(Expressed in thousands of US dollars - Unaudited)

	Note	Number of Common Shares	Share Capital Amount	Equity Reserves	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Equity
Balance, January 1, 2023		**118,349,090**	**$ 145,515**	**$ 9,852**	**$ (97)**	**$ (5,223)**	**$ (52,026)**	**$ 98,021**
Common shares issued:								
At the market issuances	**12**	253,700	207	-	-	-	-	207
Carrying value of RSUs exercised	**12**	592,667	512	(512)	-	-	-	-
Issuance costs	**12**	-	(5)	-	-	-	-	(5)
Share-based payments	**12**	-	-	339	-	-	-	339
Net loss for the period		-	-	-	-	-	(352)	(352)
Currency translation differences		-	-	-	-	(263)	-	(263)
Balance, March 31, 2023		**119,195,457**	**$ 146,229**	**$ 9,679**	**$ (97)**	**$ (5,486)**	**$ (52,378)**	**$ 97,947**
Balance, January 1, 2024		**128,728,248**	**$ 151,688**	**$ 11,041**	**$ (97)**	**$ (5,208)**	**$ (51,423)**	**$ 106,001**
Common shares issued:								
At the market issuances	**12 (b)**	1,886,248	926	-	-	-	-	926
Carrying value of RSUs exercised	**12 (d)**	585,265	512	(512)	-	-	-	-
Issuance costs		-	(38)	-	-	-	-	(38)
Share-based payments	**12 (c) (d)**	-	-	423	-	-	-	423
Net income for the period	**12 (e)**	-	-	-	-	-	599	599
Currency translation differences		-	-	-	-	(111)	-	(111)
Balance, March 31, 2024		**131,199,761**	**$ 153,088**	**$ 10,952**	**$ (97)**	**$ (5,319)**	**$ (50,824)**	**$ 107,800**

The accompanying notes are an integral part of the condensed consolidated interim financial statements

(Expressed in thousands of US dollars - Unaudited)

	Note	Three months ended March 31, 2024	2023
Operating Activities			
Net income		$ 599	$ (352)
Adjustments for non-cash items:			
Deferred income tax expense (recovery)		(82)	(14)
Depreciation and depletion		857	705
Accretion of reclamation provision	**11**	51	11
(Gain) loss on investments	**6**	(132)	319
Unrealized foreign exchange gain		(88)	(161)
Unwinding of fair value adjustment		-	74
Fair value adjustment on warrant liability		-	293
Share-based payments		423	339
		1,628	1,214
Net change in non-cash working capital items	**16**	719	(766)
Cash provided by operating activities		2,347	448
Financing Activities			
Shares and units issued for cash, net of issuance costs		888	202
Lease liability payments		(452)	(280)
Equipment loan payments		(44)	(88)
Cash provided by (used in) financing activities		392	(166)
Investing Activities			
Exploration and evaluation expenditures		(1,116)	(389)
Additions to plant, equipment and mining properties		(851)	(3,450)
Acquisition of La Preciosa		-	(5,000)
Cash provided by (used in) investing activities		(1,967)	(8,839)
Change in cash		772	(8,557)
Effect of exchange rate changes on cash		14	9
Cash, beginning		2,688	11,245
Cash, ending		$ 3,474	$ 2,697

Supplementary Cash Flow Information (Note 16)

The accompanying notes are an integral part of the condensed consolidated interim financial statements

1. NATURE OF OPERATIONS

Avino Silver & Gold Mines Ltd. (the “Company” or “Avino”) was incorporated in 1968 under the laws of the Province of British Columbia, Canada. The Company is engaged in the production and sale of silver, gold, and copper and the acquisition, exploration, and advancement of mineral properties.

The Company’s head office and principal place of business is Suite 900, 570 Granville Street, Vancouver, BC, Canada. The Company is a reporting issuer in Canada (except for the province of Quebec) and the United States, and trades on the Toronto Stock Exchange (“TSX”), the NYSE American, and the Frankfurt and Berlin Stock Exchanges.

The Company operates the Elena Tolosa Mine (“ET Mine” or “Avino Mine”) which produces copper, silver and gold at the historic Avino property in the state of Durango, Mexico. The Avino property also hosts the San Gonzalo Mine, which is currently on care and maintenance. The Company also holds 100% interest in Proyectos Mineros La Preciosa S.A. de C.V. (“La Preciosa”), a Mexican corporation which owns the La Preciosa Property. The Company also owns interests in mineral properties located in British Columbia and Yukon, Canada.

2. BASIS OF PRESENTATION

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 – Interim Financial Reporting under International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the most recent annual audited consolidated financial statements of the Company. These unaudited condensed consolidated interim financial statements do not contain all of the information required for full annual consolidated financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s December 31, 2023, annual consolidated financial statements, which were prepared in accordance with IFRS as issued by the IASB.

These unaudited condensed consolidated interim financial statements are expressed in US dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out in the December 31, 2023 annual consolidated financial statements are applied consistently to all periods presented in these unaudited condensed consolidated interim financial statements as if the policies have always been in effect.

Basis of Presentation

These unaudited condensed consolidated interim financial statements are expressed in US dollars and have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting on a going concern basis. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements as if the policies have always been in effect.

Foreign Currency Translation

Foreign currency transactions

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

(Expressed in thousands of US dollars, except where otherwise noted)

Foreign operations

Subsidiaries that have functional currencies other than the US dollar translate their statement of operations items at the average rate during the year. Assets and liabilities are translated at exchange rates prevailing at the end of each reporting period. Exchange rate variations resulting from the retranslation at the closing rate of the net investment in these subsidiaries, together with differences between their statement of operations items translated at actual and average rates, are recognized in accumulated other comprehensive income (loss). On disposition or partial disposition of a foreign operation, the cumulative amount of related exchange difference is recognized in the statement of operations.

Significant Accounting Judgments and Estimates

The Company's management makes judgments in its process of applying the Company's accounting policies to the preparation of its unaudited condensed consolidated interim financial statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of the impacts on the carrying amounts of the Company's assets and liabilities at the end of the reporting period from uncertain future events and on the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

The critical judgments and estimates applied in the preparation of the Company's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024, are consistent with those applied and disclosed in Note 2 to the Company's audited consolidated financial statements for the year ended December 31, 2023.

Basis of Consolidation

The audited consolidated financial statements include the accounts of the Company and its Mexican subsidiaries as follows:

Subsidiary	Ownership Interest	Jurisdiction	Nature of Operations
Oniva Silver and Gold Mines S.A. de C.V.	100%	Mexico	Mexican administration
Nueva Vizcaya Mining, S.A. de C.V.	100%	Mexico	Mexican administration
Promotora Avino, S.A. de C.V. ("Promotora")	79.09%	Mexico	Holding company
Compañía Minera Mexicana de Avino, S.A. de C.V. ("Avino Mexico")	98.45% direct 1.22% indirect (Promotora) 99.67% effective	Mexico	Mining and exploration
La Luna Silver & Gold Mines Ltd.	100%	Canada	Holding company
La Preciosa Silver & Gold Mines Ltd.	100%	Canada	Holding company
Proyectos Mineros La Preciosa S.A. de C.V.	100%	Mexico	Mining and exploration
Cervantes LLP	100%	U.S.	Holding company

Intercompany balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(Expressed in thousands of US dollars, except where otherwise noted)

3. RECENT ACCOUNTING PRONOUNCEMENTS

New and amended IFRS that are effective for the current year:

Certain new accounting standards and interpretations have been published that are either applicable in the current year, or are not mandatory for the current period and have not been early adopted. We have assessed these standards, and they are not expected to have a material impact on the Company in the current or future reporting periods.

4. TAXES RECOVERABLE

The Company's taxes recoverable consist of the Mexican I.V.A. ("VAT") and income taxes recoverable and Canadian sales taxes ("GST/HST") recoverable.

	March 31, 2024	December 31, 2023
VAT recoverable	$ 2,767	$ 3,231
GST recoverable	14	20
Income taxes recoverable	3,721	3,329
	$ 6,502	$ 6,580

5. INVENTORY

	March 31, 2024	December 31, 2023
Process material stockpiles	$ 2,944	$ 4,050
Concentrate inventory	3,017	2,448
Materials and supplies	2,377	2,328
	$ 8,338	$ 8,826

The amount of inventory recognized as an expense for the three months ended March 31, 2024 totalled $10,054 (2023 – $7,794). See Note 13 for further details.

During the three months ended March 31, 2024, the Company wrote down Nil of materials and supplies inventory due to obsolescence (year ended December 31, 2023 – 270).

(Expressed in thousands of US dollars, except where otherwise noted)

6. LONG-TERM INVESTMENTS

The Company classifies its long-term investments as designated at fair value through profit and loss under IFRS 9. Long-term investments are summarized as follows:

For the three months ended March 31, 2024:

	Fair Value December 31, 2023	Net Additions	Movements in foreign exchange	Fair value adjustments for the period	Fair Value March 31, 2024
Talisker Resources Common Shares	$ 782	$ -	$ (20)	$ 141	$ 903
Silver Wolf Exploration Ltd. Common Shares	71	-	(2)	9	78
Endurance Gold Corp. Common Shares	81	-	(1)	(18)	62
	$ 934	$ -	$ (23)	$ 132	$ 1,043

7. EXPLORATION AND EVALUATION ASSETS

The Company has accumulated the following acquisition, exploration and evaluation costs which are not subject to depletion:

	Avino, Mexico	La Preciosa, Mexico	British Columbia & Yukon, Canada	Total
Balance, December 31, 2022	$ 11,828	$ 37,975	$ 1	$ 49,804
La Preciosa non-core concessions transfer	2,946	(2,946)		-
Drilling and exploration	877	435	-	1,312
Assessments and taxes	88	(930)	-	(842)
Effect of movements in exchange rates	22	(122)	-	(100)
Option income	(63)	-	-	(63)
Balance, December 31, 2023	$ 15,698	$ 34,412	$ 1	$ 50,111
Costs incurred during 2024:				
Drilling and exploration	81	662	-	743
Assessments and taxes	100	959	-	1,059
Effect of movements in exchange rates	(2)	-	-	(2)
Balance, March 31, 2024	$ 15,877	$ 36,033	$ 1	$ 51,911

(a) Avino, Mexico

The Company's subsidiary Avino Mexico owns 42 mineral claims and leases four mineral claims in the state of Durango, Mexico. The Company's mineral claims in Mexico are divided into the following two groups:

(i) Avino Mine area property

The Avino Mine area property is situated around the towns of Panuco de Coronado and San Jose de Avino and surrounding the historic Avino mine site. There are four exploration concessions covering 154.4 hectares, 24 exploitation concessions covering 1,284.7 hectares, and one leased exploitation concession covering 98.83 hectares. Within the Avino Mine site area is the Company's San Gonzalo Mine, which achieved production at levels intended by management as of October 1, 2012, and on this date accumulated exploration and evaluation costs were transferred to mining properties.

(ii) Gomez Palacio/Ana Maria property

The Ana Maria property is located near the town of Gomez Palacio, and consists of nine exploration concessions covering 2,549 hectares, and is also known as the Ana Maria property.

Option Agreement – Silver Wolf Exploration Ltd. (formerly Gray Rock Resources Ltd.) ("Silver Wolf")

On March 11, 2021, the Company entered into an option agreement to grant Silver Wolf the exclusive right to acquire a 100% interest in the Ana Maria and El Laberinto properties in Mexico (the "Option Agreement").

All exploration expenditure requirements on the properties have been met as of March 31, 2024, and Silver Wolf is in compliance with the terms of the Option Agreement.

The Option Agreement between the Company and Silver Wolf is considered a related party transaction as the two companies have directors in common.

Unification La Platosa properties

The Unification La Platosa properties, consisting of three leased concessions in addition to the leased concessions situated within the Avino mine area property near the towns of Panuco de Coronado and San Jose de Avino and surrounding the Avino Mine.

In February 2012, the Company's wholly-owned Mexican subsidiary entered into a new agreement with Minerales de Avino, S.A. de C.V. ("Minerales") whereby Minerales has indirectly granted to the Company the exclusive right to explore and mine the La Platosa property known as the "ET zone". The ET zone includes the Avino Mine, where production at levels intended by management was achieved on July 1, 2015.

Under the agreement, the Company has obtained the exclusive right to explore and mine the property for an initial period of 15 years, with the option to extend the agreement for another 5 years. In consideration of the granting of these rights, the Company issued 135,189 common shares with a fair value of C$250 during the year ended December 31, 2012.The Company has agreed to pay to Minerales a royalty equal to 3.5% of net smelter returns ("NSR"). In addition, after the start of production, if the minimum monthly processing rate of the mine facilities is less than 15,000 tonnes, then the Company must pay to Minerales a minimum royalty equal to the applicable NSR royalty based on the processing at a monthly rate of 15,000 tonnes.

Minerales has also granted to the Company the exclusive right to purchase a 100% interest in the property at any time during the term of the agreement (or any renewal thereof), upon payment of $8 million within 15 days of the Company's notice of election to acquire the property. The purchase would be subject to a separate purchase agreement for the legal transfer of the property.

(b) La Preciosa, Mexico

On March 21, 2022, the Company received approval for the closing of the acquisition of the La Preciosa property from Coeur Mining Inc.

(c) British Columbia & Yukon, Canada

Eagle Property - Yukon

The Company has a 100% interest in 14 quartz leases located in the Mayo Mining Division of Yukon, Canada, which collectively comprise the Eagle property. During the year ended December 31, 2023, the Company sold to a subsidiary of Hecla Mining Company ("Hecla") the Eagle Property for cash consideration of C$250. The gain on sale of the Eagle Property was recorded to "Interest and other income" on the consolidated statements of operations and comprehensive income (loss).

Minto and Olympic-Kelvin properties – British Columbia

On May 2, 2022, the Company granted Endurance Gold Corporation the right to acquire an option to earn 100% ownership of the former Minto Gold Mine, Olympic and Kelvin gold prospects contained within a parcel of crown grant and mineral claims (the "Olympic Claims").

As of March 31, 2024, Endurance was in compliance with all terms of the Option agreement.

8. NON-CONTROLLING INTEREST

At March 31, 2024, the Company had an effective 99.67% (December 31, 2023 - 99.67%) interest in its subsidiary Avino Mexico and the remaining 0.33% (December 31, 2023 - 0.33%) interest represents a non-controlling interest. The accumulated deficit and current period income attributable to the non-controlling interest are insignificant and accordingly have not been presented separately in the consolidated financial statements.

(Expressed in thousands of US dollars, except where otherwise noted)

9. PLANT, EQUIPMENT AND MINING PROPERTIES

	Mining properties	Office equipment, furniture, and fixtures	Computer equipment	Mine machinery and transportation equipment	Mill machinery and processing equipment	Buildings and construction in process	Total
	$	$	$	$	$	$	$
COST							
Balance at January 1, 2023	14,687	763	774	14,930	23,294	14,693	69,141
Additions / Transfers	3,716	78	1,176	3,270	3,079	701	12,020
Writedowns	-	(6)	(22)	(629)	(141)	-	(798)
Effect of movements in exchange rates	(28)	9	1	2	-	(24)	(40)
Balance at December 31, 2023	18,375	844	1,929	17,573	26,232	15,370	80,323
Additions / Transfers	187	6	2	138	409	(454)	288
Writedowns	-	(1)	(1)	-	-	-	(2)
Effect of movements in exchange rates	3	(2)	1	(1)	-	(21)	(20)
Balance at March 31, 2024	18,565	847	1,931	17,710	26,641	14,895	80,589
ACCUMULATED DEPLETION AND DEPRECIATION / IMPAIRMENT							
Balance at January 1, 2023	9,106	441	598	5,178	6,733	3,029	25,085
Additions / Transfers	367	111	204	676	1,170	294	2,822
Writedowns	-	(4)	(21)	(619)	(9)	-	(653)
Balance at December 31, 2023	9,473	548	781	5,235	7,894	3,323	27,254
Additions / Transfers	103	21	100	4	480	77	785
Balance at March 31, 2024	9,576	569	881	5,239	8,374	3,400	28,039
NET BOOK VALUE							
At March 31, 2024	**8,989**	**278**	**1,050**	**12,471**	**18,267**	**11,495**	**52,550**
At December 31, 2023	**8,902**	**296**	**1,148**	**12,339**	**18,338**	**12,047**	**53,069**

(Expressed in thousands of US dollars, except where otherwise noted)

Included in Buildings and construction in process above are assets under construction of $3,341 as at March 31, 2024 (December 31, 2023 - $3,166) on which no depreciation was charged in the periods then ended. Once the assets are available for use, they will be transferred to the appropriate class of plant, equipment and mining properties.

As of March 31, 2024, the Company performed an evaluation of the property plant and equipment and recorded a write-down of $1 (December 31, 2023 - $144) against the carrying value of mine and mill machinery and transportation equipment due to damage and obsolescence.

As at March 31, 2024, plant, equipment and mining properties included a net carrying amount of $5,850 (December 31, 2023 - $5,832) for mining equipment and right of use assets under lease.

10. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions are recorded at the exchange amount which is the amount agreed to by the Company and the related party.

(a) Key management personnel

The Company has identified its directors and certain senior officers as its key management personnel. The compensation costs for key management personnel is as follows:

	Three months ended March 31,	
	2024	2023
Salaries, benefits, and consulting fees	$ 293	$ 284
Share-based payments	387	321
	$ 680	$ 605

(b) Amounts due to/from related parties

In the normal course of operations the Company transacts with companies related to Avino's directors or officers. All amounts payable and receivable are non-interest bearing, unsecured and due on demand.

The following table summarizes the amounts were due to/(from) related parties:

	March 31, 2024	December 31, 2023
Oniva International Services Corp.	$ 100	$ 102
Directors Fees	44	-
Silver Wolf Exploration Ltd.	(338)	(269)
	$ (194)	$ (167)

For services provided to the Company as President and Chief Executive Officer, the Company pays Intermark Capital Corporation ("ICC"), a company controlled by David Wolfin, the Company's President and CEO and also a director, for consulting services. For the three months ended March 31, 2024, the Company paid $71 (March 31, 2023 - $71) to ICC.

(c) Other related party transactions

The Company has a cost sharing agreement with Oniva International Services Corp. ("Oniva") for office and administration services. Pursuant to the cost sharing agreement, the Company will reimburse Oniva for the Company's percentage of overhead and corporate expenses and for out-of-pocket expenses incurred on behalf of the Company, with a 2.5% markup. David Wolfin, President & CEO, and a director of the Company, is the sole owner of Oniva. The cost sharing agreement may be terminated with one-month notice by either party without penalty.

(Expressed in thousands of US dollars, except where otherwise noted)

The transactions with Oniva are summarized below:

	Three months ended March 31, 2024	2023
Salaries and benefits	$ 254	$ 245
Office and miscellaneous	133	133
	$ 387	$ 378

11. RECLAMATION PROVISION

Management's estimate of the reclamation provision at March 31, 2024, is $2,264 (December 31, 2023 – $2,195), and the undiscounted value of the obligation is $5,627 (December 31, 2023 – $5,491).

The present value of the obligation was calculated using a risk-free interest rate of 9.72% (December 31, 2023 – 9.82%) and an inflation rate of 3.88% (December 31, 2023 – 3.76%). Reclamation activities are estimated to begin in 2025 for the San Gonzalo Mine and in 2042 for the Avino Mine.

A reconciliation of the changes in the Company's reclamation provision is as follows:

	March 31, 2024	December 31, 2023
Balance at beginning of the period	$ 2,195	$ 445
Changes in estimates	-	1,615
Unwinding of discount related to continuing operations	51	49
Effect of movements in exchange rates	18	86
Balance at end of the period	$ 2,264	$ 2,195

12. SHARE CAPITAL AND SHARE-BASED PAYMENTS

(a) Authorized: Unlimited common shares without par value

(b) Issued:

(i) During the three months ended March 31, 2024, the Company issued 1,886,248 common shares in an at-the-market offering under prospectus supplement for gross proceeds of $926. The Company paid a 2.75% cash commission of $25 on gross proceeds, for net proceeds of $901. The Company also incurred $13 in share issuance costs related to its base shelf prospectus and prospectus supplement filings.

During the three months ended March 31, 2024, the Company issued 585,265 common shares upon exercise of RSUs. As a result, $512 was recorded to share capital.

(ii) During the year ended December 31, 2023, the Company issued 9,373,825 common shares in an at-the-market offering under prospectus supplement for gross proceeds of $5,648. The Company paid a 2.75% cash commission of $155 on gross proceeds, for net proceeds of $5,493. The Company also incurred $339 in share issuance costs related to its base shelf prospectus and prospectus supplement filings.

During the year ended December 31, 2023, the Company issued 1,005,333 common shares upon exercise of RSUs. As a result, $1,019 was recorded to share capital.

(Expressed in thousands of US dollars, except where otherwise noted)

(c) Stock options:

The Company has a stock option plan to purchase the Company's common shares, under which it may grant stock options of up to 10% of the Company's total number of shares issued and outstanding on a non-diluted basis. The stock option plan provides for the granting of stock options to directors, officers, and employees, and to persons providing investor relations or consulting services, the limits being based on the Company's total number of issued and outstanding shares per year. The stock options vest on the date of grant, except for those issued to persons providing investor relations services, which vest over a period of one year. The option price must be greater than or equal to the discounted market price on the grant date, and the option term cannot exceed ten years from the grant date.

Continuity of stock options is as follows:

	Underlying Shares	Weighted Average Exercise Price (C$)
Stock options outstanding, January 1, 2023	4,256,000	$1.36
Granted	2,545,000	$1.12
Expired	(105,000)	$1.30
Cancelled / Forfeited	(30,000)	$1.40
Stock options outstanding, December 31, 2023	6,666,000	$1.27
Granted	2,500,000	$0.78
Cancelled / Forfeited	(190,000)	$1.26
Stock options outstanding, March 31, 2024	8,976,000	$1.13
Stock options exercisable, March 31, 2024	6,401,000	$1.27

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2024:

		Outstanding		Exercisable	
Expiry Date	Price (C$)	Number of Options	Weighted Average Remaining Contractual Life (Years)	Number of Options	Weighted Average Remaining Contractual Life (Years)
August 21, 2024	$0.79	126,000	0.39	126,000	0.39
August 4, 2025	$1.64	1,620,000	1.35	1,620,000	1.35
March 25, 2027	$1.20	2,255,000	2.98	2,255,000	2.98
May 4, 2027	$0.92	25,000	3.09	25,000	3.09
March 29, 2028	$1.12	2,300,000	4.00	2,300,000	4.00
July 10, 2028	$1.12	150,000	4.26	75,000	4.26
March 25, 2029	$0.78	2,500,000	4.99	-	4.99
		8,976,000	3.49	6,401,000	2.90

(Expressed in thousands of US dollars, except where otherwise noted)

Valuation of stock options requires the use of estimates and assumptions including the expected stock price volatility. The expected volatility used in valuing stock options is based on volatility observed in historical periods. Changes in the underlying assumptions can materially affect the fair value estimates. The fair value of the stock options was calculated using the Black-Scholes model with the following weighted average assumptions and resulting fair values:

	March 31, 2024	December 31, 2023
Weighted average assumptions:		
Risk-free interest rate	3.51%	3.10%
Expected dividend yield	0%	0%
Expected warrant life (years)	5	5
Expected stock price volatility	60.73%	61.10%
Expected forfeiture rate	15%	17%
Weighted average fair value	C$0.43	C$0.60

During the three months ended March 31, 2024, the Company charged $92 (three months ended March 31, 2023 - $62) to operations as share-based payments for the fair value of stock options granted.

(d) *Restricted Share Units:*

On April 19, 2018, the Company's Restricted Share Unit ("RSU") Plan was approved by its shareholders. The RSU Plan is administered by the Compensation Committee under the supervision of the Board of Directors as compensation to officers, directors, consultants, and employees. The Compensation Committee determines the terms and conditions upon which a grant is made, including any performance criteria or vesting period.

Upon vesting, each RSU entitles the participant to receive one common share, provided that the participant is continuously employed with or providing services to the Company. RSUs track the value of the underlying common shares, but do not entitle the recipient to the underlying common shares until such RSUs vest, nor do they entitle a holder to exercise voting rights or any other rights attached to ownership or control of the common shares, until the RSU vests and the RSU participant receives common shares.

Continuity of RSUs is as follows:

	Underlying Shares	Weighted Average Price (C$)
RSUs outstanding, January 1, 2023	2,190,666	$1.27
Granted	1,878,320	$1.11
Exercised	(1,005,334)	$1.37
Cancelled / Forfeited	(68,943)	$1.14
RSUs outstanding, December 31, 2023	2,994,709	$1.14
Exercised	(585,265)	$1.19
RSUs outstanding, March 31, 2024	2,409,444	$1.13

(Expressed in thousands of US dollars, except where otherwise noted)

The following table summarizes information about the RSUs outstanding at March 31, 2024:

Issuance Date	Price (C$)	Number of RSUs Outstanding
March 25, 2022	$1.19	577,000
March 29, 2023	$1.12	1,763,124
July 10, 2023	$0.94	69,320
		2,409,444

During the three months ended March 31, 2024, no RSUs (year ended December 31, 2023 – 1,878,320) were granted. For RSUs granted in 2023, the weighted average fair value at the measurement date was C$1.11, based on the TSX market price of the Company's shares on the date the RSUs were granted.

During the three months ended March 31, 2024, the Company charged $331 (March 31, 2023 - $277) to operations as share-based payments for the fair value of the RSUs vested. The fair value of the RSUs is recognized over the vesting period with reference to vesting conditions and the estimated RSUs expected to vest.

(e) *Earnings per share:*

The calculations for basic earnings per share and diluted earnings per share are as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Net income (loss) for the period	$ 599	$ (352)
Basic weighted average number of shares outstanding	130,027,962	118,572,700
Effect of dilutive share options, warrants, and RSUs	2,994,709	4,030,229
Diluted weighted average number of shares outstanding	133,022,671	122,602,929
Basic earnings (loss) per share	$ 0.00	$ (0.00)
Diluted earnings (loss) per share	$ 0.00	$ (0.00)

(Expressed in thousands of US dollars, except where otherwise noted)

13. REVENUE AND COST OF SALES

The Company's revenues for the three months ended March 31, 2024 and 2023, are all attributable to Mexico, from shipments of concentrate from the Avino Mine.

		March 31, 2024		March 31, 2023
Concentrate sales	$	12,674	$	9,992
Provisional pricing adjustments		(281)		(167)
	$	12,393	$	9,825

Cost of sales consists of changes in inventories, direct costs including personnel costs, mine site costs, energy costs (principally diesel fuel and electricity), maintenance and repair costs, operating supplies, external services, third party transport fees, depreciation and depletion, and other expenses for the periods. Direct costs include the costs of extracting co-products.

Cost of sales is based on the weighted average cost of inventory sold for the periods and consists of the following:

		March 31, 2024		March 31, 2023
Production costs	$	9,233	$	7,304
Depreciation and depletion		821		670
	$	10,054	$	7,974

14. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of the following:

		March 31, 2024		March 31, 2023
Salaries and benefits	$	396	$	395
Office and miscellaneous		381		192
Professional fees		159		239
Management and consulting fees		107		106
Investor relations		73		81
Travel and promotion		35		54
Directors fees		44		44
Regulatory and compliance fees		41		38
Depreciation		36		35
	$	1,272	$	1,184

(Expressed in thousands of US dollars, except where otherwise noted)

15. COMMITMENTS

The Company has a cost sharing agreement to reimburse Oniva for a percentage of its overhead expenses, to reimburse 100% of its out-of-pocket expenses incurred on behalf of the Company, and to pay a percentage fee based on Oniva's total overhead and corporate expenses. The agreement may be terminated with one-month notice by either party. Transactions and balances with Oniva are disclosed in Note 10.

The Company and its subsidiaries have various operating lease agreements for their office premises, use of land, and equipment. Commitments in respect of these lease agreements are as follows:

	March 31, 2024	December 31, 2023
Not later than one year	$ 214	$ 714
Later than one year and not later than five years	1,292	1,241
Later than five years	4,146	3,965
	$ 5,652	$ 5,920

Office lease payments recognized as an expense during the three months ended March 31, 2024, totalled $10 (March 31, 2023 - $4).

16. SUPPLEMENTARY CASH FLOW INFORMATION

	March 31, 2024	March 31, 2023
Net change in non-cash working capital items:		
Inventory	$ 418	$ (1,419)
Prepaid expenses and other assets	(106)	(18)
Taxes recoverable	78	(625)
Taxes payable	62	(867)
Accounts payable and accrued liabilities	(1,153)	1,466
Amounts receivable	1,447	658
Amounts due to related parties	(27)	39
	$ 719	$ (766)

	March 31, 2024	March 31, 2023
Other non-cash supplementary information:		
Interest paid	$ 64	$ 42
Taxes paid	10	5
	$ 74	$ 47

	March 31, 2024	March 31, 2023
Non-cash investing and financing activities:		
Shares acquired under terms of option agreements	-	41
Transfer of share-based payments reserve upon exercise of RSUs	512	512
Equipment acquired under finance leases and equipment loans	108	1,808
	$ 620	$ 2,361

(Expressed in thousands of US dollars, except where otherwise noted)

17. FINANCIAL INSTRUMENTS

The fair values of the Company's amounts due to related parties and accounts payable approximate their carrying values because of the short-term nature of these instruments. Cash, amounts receivable, long-term investments, and warrant liability are recorded at fair value. The carrying amounts of the Company's equipment loans, and finance lease obligations are a reasonable approximation of their fair values based on current market rates for similar financial instruments.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has exposure to credit risk through its cash, long-term investments and amounts receivable. The Company manages credit risk, in respect of cash and short-term investments, by maintaining the majority of cash and short-term investments at highly rated financial institutions.

The Company is exposed to a significant concentration of credit risk with respect to its trade accounts receivable balance because all of its concentrate sales are with three (December 31, 2022 – two) counterparties (see Note 18). However, the Company has not recorded any allowance against its trade receivables because to-date all balances owed have been settled in full when due (typically within 60 days of submission) and because of the nature of the counterparties.

The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the unaudited condensed consolidated interim statement of financial position. At March 31, 2024, no amounts were held as collateral.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by its operating, investing and financing activities. The Company had cash at March 31, 2024, in the amount of $3,474 and current assets exceeded current liabilities by $9,785 in order to meet short-term business requirements. Accounts payable have contractual maturities of approximately 30 to 90 days, or are due on demand and are subject to normal trade terms. The current portions of finance lease obligations are due within 12 months of the consolidated statement of financial position date. Amounts due to related parties are without stated terms of interest or repayment.

The maturity profiles of the Company's contractual obligations and commitments as at March 31, 2024, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Accounts payable and accrued liabilities	$ 10,713	$ 10,713	$ -	$ -
Minimum rental and lease payments	5,652	214	1,292	4,146
Equipment loans	341	184	157	-
Finance lease obligations	2,962	1,734	1,228	-
Total	$ 19,668	$ 12,845	$ 2,677	$ 4,146

(Expressed in thousands of US dollars, except where otherwise noted)

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not materially exposed to interest rate risk, as any material debt obligations that bear interest are fixed and not subject to floating interest rates. A 10% change in the interest rate would not result in a material impact on the Company's operations.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that the following monetary assets and liabilities are denominated in Mexican pesos and Canadian dollars:

	March 31, 2024		December 31, 2023	
	MXN	CDN	MXN	CDN
Cash	$ 8,108	$ 252	$ 13,338	$ 70
Due from related parties	5,643	-	4,558	-
Long-term investments	-	1,414	-	1,236
Reclamation bonds	-	6	-	6
Amounts receivable	3,042	20	18,644	26
Accounts payable and accrued liabilities	(78,884)	(145)	(95,662)	(150)
Due to related parties	-	(195)	-	(135)
Finance lease obligations	(800)	(179)	(1,129)	(217)
Net exposure	(62,891)	1,173	(60,251)	836
US dollar equivalent	$ (3,767)	$ 865	$ (3,567)	$ 577

Based on the net US dollar denominated asset and liability exposures as at March 31, 2024, a 10% fluctuation in the US/Mexican and Canadian/US exchange rates would impact the Company's earnings for the three months ended March 31, 2024, by approximately $298. The Company has not entered into any foreign currency contracts to mitigate this risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is exposed to price risk with respect to its amounts receivable, as certain trade accounts receivable are recorded based on provisional terms that are subsequently adjusted according to quoted metal prices at the date of final settlement. Quoted metal prices are affected by numerous factors beyond the Company's control and are subject to volatility, and the Company does not employ hedging strategies to limit its exposure to price risk. At March 31, 2024, based on outstanding accounts receivable that were subject to pricing adjustments, a 10% change in metals prices would have an impact on net earnings (loss) of approximately $106.

(Expressed in thousands of US dollars, except where otherwise noted)

The Company is exposed to price risk with respect to its long-term investments, as these investments are carried at fair value based on quoted market prices. Changes in market prices result in gains or losses being recognized in net income (loss). At March 31, 2024, a 10% change in market prices would have an impact on net earnings (loss) of approximately $105.

The Company's profitability and ability to raise capital to fund exploration, evaluation and production activities is subject to risks associated with fluctuations in mineral prices. Management closely monitors commodity prices, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

(d) Classification of Financial Instruments

IFRS 13 *Financial Instruments: Disclosures* establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company's financial assets measured at fair value on a recurring basis by level within the fair value hierarchy as at March 31, 2024:

	Level 1	Level 2	Level 3
Financial assets			
Cash	$ 3,474	$ -	$ -
Amounts receivable	-	1,856	-
Long-term investments	1,043	-	-
Total financial assets	$ 4,517	$ 1,856	$ -

The Company uses Black-Scholes model to measure its Level 3 financial instruments. As at March 31, 2024 the Company's has no Level 3 financial instruments.

18. SEGMENTED INFORMATION

The Company reviews its segment reporting to ensure it reflects the operational structure of the Company and enables the Company's Chief Operating Decision Maker (the Company's CEO) to review operating segment performance. We have determined that each producing mine represents an operating segment, of which there is one as of March 31, 2024.

The Company's revenues for the three months ended March 31, 2024 of $12,393 (March 31, 2023 - $9,825) are all attributable to Mexico, from shipments of concentrate produced by the Avino Mine, and is considered to be one single reportable operating segment.

(Expressed in thousands of US dollars, except where otherwise noted)

On the condensed consolidated interim statements of operations, the Company had revenue from the following product mixes:

		March 31, 2024		March 31, 2023
Silver	$	5,036	$	3,608
Gold		3,033		3,135
Copper		5,906		4,689
Penalties, treatment costs and refining charges		(1,582)		(1,607)
Total revenue from mining operations	$	12,393	$	9,825

For the three months ended March 31, 2024 and 2023, the Company had the following customers that accounted for total revenues as follows:

		March 31, 2024		March 31, 2023
Customer #1	$	8,596	$	9,225
Customer #2		3,784		600
Other customers		13		-
Total revenue from mining operations	$	12,393	$	9,825

Geographical information relating to the Company's non-current assets (other than financial instruments) is as follows:

		March 31, 2024		December 31, 2023
Exploration and evaluation assets - Mexico	$	51,910	$	50,110
Exploration and evaluation assets - Canada		1		1
Total exploration and evaluation assets	$	51,911	$	50,111

		March 31, 2024		December 31, 2023
Plant, equipment, and mining properties - Mexico	$	52,398	$	52,891
Plant, equipment, and mining properties - Canada		152		178
Total plant, equipment, and mining properties	$	52,550	$	53,069

19. SUBSEQUENT EVENTS

At-The-Market Sales – Subsequent to March 31, 2024, the Company issued 1,256,000 common shares in at-the-market offerings under prospectus supplement for gross proceeds of $993.