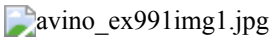
EXHIBIT 99.1



AVINO SILVER & GOLD MINES LTD.

Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

Management's Responsibility for Financial Reporting

The consolidated financial statements of Avino Silver & Gold Mines Ltd. (the "Company") are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with IFRS Accounting Standards Board as issued by the International Financial Reporting Standards Board ("IFRS Accounting Standards"), and reflect management's best estimates and judgments based on information currently available.

Management has developed and is maintaining a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Audit Committee reviews the results of the annual audit and reviews the consolidated financial statements prior to their submission to the Board of Directors for approval.

"David Wolfin"

David Wolfin
President & CEO
March 10, 2026

"Nathan Harte"

Nathan Harte, CPA
Chief Financial Officer
March 10, 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Avino Silver & Gold Mines Ltd.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Avino Silver & Gold Mines Ltd. and subsidiaries (the "Company") as at December 31, 2025 and December 31, 2024, the related consolidated statements of operations and comprehensive income, shareholders' equity, and cash flows, for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2025, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 10, 2026, expressed an unqualified opinion on the Company 's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Plant, Equipment and Mining Properties - Assessment of Whether Indicators of Impairment Exist Refer to Notes 2 and 3 to the financial statements

Critical Audit Matter Description

The Company's determination of whether or not an indicator of impairment exists at the cash generating unit ("CGU") level requires significant management judgment. Changes in metal price forecasts or discount rates, increases in estimated future costs of production, increases in estimated future non expansionary capital expenditures, reductions in the amount of recoverable resources and exploration potential and adverse current economic conditions can result in a write-down of the carrying amounts of the Company's plant, equipment and mining properties.

While several factors are assessed to determine whether or not an indicator of impairment exists, the judgments with the highest degree of subjectivity are changes in metal price forecasts (for silver, gold, and copper). Auditing these estimates and factors required a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the changes in metal price forecasts (for silver, gold, and copper) considered in the assessment of indicators of impairment included the following, among others:

- Evaluated the effectiveness of the Company's controls over management's assessment of indicators of impairment, and
- With the assistance of fair value specialists, evaluated future metal prices (for silver, gold, and copper) by comparing management forecasts to third party forecasts.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 10, 2026

We have served as the Company's auditor since 2022.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Avino Silver & Gold Mines Ltd.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Avino Silver & Gold Mines Ltd. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as at and for the year ended December 31, 2025, of the Company and our report dated March 10, 2026, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

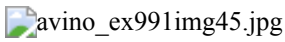
Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 10, 2026



	Note	December 31, 2025	December 31, 2024
ASSETS			
Current assets			
Cash		$ 101,724	$ 27,317
Amounts receivable		12,003	3,350
Amounts due from related parties	**11(b)**	141	18
Taxes recoverable	**5**	1,770	195
Derivative asset		1,314	-
Prepaid expenses and other assets		2,920	2,278
Inventory	**6**	12,196	7,611
Total current assets		132,068	40,769
Exploration and evaluation assets	**8**	15,699	52,890
Plant, equipment and mining properties	**10**	125,365	53,801
Long-term investments	**7**	4,151	1,247
Other assets		1,749	4
Total assets		$ 279,032	$ 148,711
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities		$ 14,204	$ 10,292
Taxes payable		7,143	3,125
Deferred consideration payable	**10**	8,326	-
Derivative liability		-	475
Current portion of finance lease obligations		2,632	1,476
Current portion of equipment loans		201	166
Total current liabilities		32,506	15,534
Finance lease obligations		2,994	960
Equipment loans		187	27
Reclamation provision	**12**	2,921	2,062
Deferred income tax liabilities	**21**	6,394	4,729
Total liabilities		45,002	23,312
EQUITY			
Share capital	**13**	243,317	163,325
Equity reserves		11,689	11,529
Treasury shares		(97)	(97)
Accumulated other comprehensive loss		(4,264)	(6,035)
Accumulated deficit		(16,615)	(43,323)
Total equity		234,030	125,399
Total liabilities and equity		$ 279,032	$ 148,711

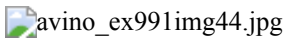
Commitments & Contingencies – Note 16

Subsequent Events – Note 22

Approved by the Board of Directors on March 10, 2026.

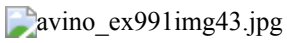
Michael Clark Director *David Wolfin* Director

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



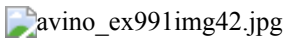
	Note	2025	2024
Revenue from mining operations	**14**	$ 92,227	$ 66,178
Cost of sales	**14**	43,692	42,977
Mine operating income		48,535	23,201
Operating expenses			
General and administrative expenses	**15**	8,690	6,226
Share-based payments	**13(c)(d)**	3,726	2,035
		36,119	14,940
Other items			
Interest and other income		1,414	364
Gain (loss) on long-term investments	**7**	2,769	(172)
Unrealized gain (loss) on derivatives	**18(c)**	1,789	(475)
Foreign exchange gain (loss)		(705)	979
Finance cost		(247)	(10)
Accretion of reclamation provision	**12**	(204)	(197)
Interest expense		(316)	(387)
Other expenses		(417)	-
Loss on sale of mineral properties		(304)	-
Write-down of uncollectible account		-	(621)
Income before income taxes		39,898	14,421
Income taxes:			
Current income tax expense	**21**	(11,590)	(6,288)
Deferred income tax expense	**21**	(1,665)	(33)
Income tax expense		(13,255)	(6,321)
Net income		26,643	8,100
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		1,771	(827)
Total comprehensive income		$ 28,414	$ 7,273
Earnings per share	**13(e)**		
Basic		$ 0.18	$ 0.06
Diluted		$ 0.17	$ 0.06
Weighted average number of common shares outstanding	**13(e)**		
Basic		147,721,818	134,599,532
Diluted		157,811,276	141,331,864

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



	Note	Number of Common Shares	Share Capital Amount	Equity Reserves	Treasury Shares	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Equity
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	**13**	9,338,685	9,732	-	-	-	-	9,732
Exercise of options		1,301,000	1,515	(529)				986
Vesting of RSUs	**13**	1,197,709	1,018	(1,018)	-	-	-	-
Issuance costs	**13**	-	(628)	-	-	-	-	(628)
Share-based payments	**13**	-	-	2,035	-	-	-	2,035
Net income for the period		-	-	-	-	-	8,100	8,100
Currency translation differences		-	-	-	-	(827)	-	(827)
Balance, December 31, 2024		**140,565,642**	**$163,325**	**$ 11,529**	**$ (97)**	**$ (6,035)**	**$ (43,323)**	**$125,399**
Balance, January 1, 2025		**140,565,642**	**$163,325**	**$ 11,529**	**$ (97)**	**$ (6,035)**	**$ (43,323)**	**$125,399**
Common shares issued:								
At the market issuances	**13**	16,504,560	77,024	-	-	-	-	77,024
Exercise of options	**13**	3,930,490	4,768	(2,151)	-	-	-	2,617
Vesting of RSUs	**13**	1,308,296	1,008	(1,008)	-	-	-	-
Carrying value of RSUs forfeited for withholding taxes	**13**	-	-	(342)	-	-	-	(342)
Issuance costs	**13**	-	(2,808)	-	-	-	-	(2,808)
Share-based payments	**13**	-	-	3,726	-	-	-	3,726
Expiration of options	**13**	-	-	(65)	-	-	65	-
Net income for the period	**13**	-	-	-	-	-	26,643	26,643
Currency translation differences		-	-	-	-	1,771	-	1,771
Balance, December 31, 2025		**162,308,988**	**$243,317**	**$ 11,689**	**$ (97)**	**$ (4,264)**	**$ (16,615)**	**$234,030**

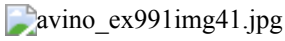
The accompanying notes are an integral part of the consolidated financial statements



	Note	2025	2024
Operating Activities			
Net income		$ 26,643	$ 8,100
Adjustments for non-cash items:			
Deferred income tax expense		1,665	33
Depreciation and depletion		3,745	3,386
Accretion of reclamation provision	**12**	204	197
Loss (gain) on investments	**7**	(2,769)	172
Unrealized loss (gain) on derivatives	**18**	(1,789)	475
Unrealized loss (gain) on foreign exchange		2,374	(1,074)
Write down of uncollectible account		-	621
Write down of equipment and materials and supplies inventory		593	1,144
Loss on sale of mineral properties		304	-
Finance costs on deferred consideration payable		229	-
Other expenses		417	-
Share-based payments	**13(c)(d)**	3,726	2,035
		35,342	15,089
Net change in non-cash working capital items	**17**	(7,919)	8,035
Cash provided by operating activities		27,423	23,124
Financing Activities			
Shares issued for cash, net of issuance costs		74,216	9,104
Proceeds from option exercises and RSU vesting, net		2,275	986
Lease liability payments		(2,307)	(1,909)
Equipment loan payments		(325)	(166)
Cash provided by financing activities		73,859	8,015
Investing Activities			
Exploration and evaluation expenditures		(576)	(2,105)
Additions to plant, equipment and mining properties		(26,299)	(4,455)
Cash used in investing activities		(26,875)	(6,560)
Change in cash		74,407	24,579
Effect of exchange rate changes on cash		-	50
Cash, beginning		27,317	2,688
Cash, ending		$ 101,724	$ 27,317

Supplementary Cash Flow Information (Note 17)

The accompanying notes are an integral part of the consolidated 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") under the ticker ASM:TSX, the NYSE American under the ticker ASM:NYSE-A, and the Frankfurt and Berlin Stock Exchanges under the ticker GV6.

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.

2) BASIS OF PRESENTATION

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis of Presentation

These consolidated 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.

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 consolidated 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.

a) Critical judgments exercised by management in applying accounting policies that have the most significant effect on the amounts presented in these consolidated financial statements are as follows:

i) Economic recoverability and probability of future economic benefits from exploration and evaluation costs

Management has determined that mine and camp, exploratory drilling, and other exploration and evaluation-related costs that were capitalized have future economic benefits and are economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and metallurgic information, scoping studies, accessible facilities, existing permits, and mine plans.

ii) Commencement of production at levels intended by management

Prior to reaching production levels intended by management, costs incurred are capitalized as part of the costs of related exploration and evaluation assets, or as part of the related mine or mill. Depletion of capitalized costs for mining properties and depreciation of plant and equipment begin when operating levels intended by management have been reached. Management considers several factors in determining when a mining property has reached the intended production levels, including production capacity, recoveries, and number of uninterrupted production days.

The basis for achievement of production levels intended by management as indicated by technical feasibility and commercial viability is generally established with proven reserves based on a NI 43-101-compliant technical report or a comparable resource statement and feasibility study, combined with pre-production operating statistics and other factors. In cases where the Company does not have a 43-101-compliant reserve report, on which to base a production decision, the technical feasibility and commercial viability of extracting a mineral resource are considered in light of additional factors including but not limited to:

- Acquisition and installation of all critical capital components to achieve desired mining and processing results has been completed. Capital components have been acquired directly and are also available on an as-needed basis from the underground mining contractor;
- The necessary labour force, including mining contractors, has been secured to mine and process at planned levels of output;
- The mill has consistently processed at levels at or above design capacity and budgeted production levels with consistent recoveries and grades; and,
- Establishing sales agreements with respect to the sale of concentrates.

When technical feasibility and commercial viability are considered demonstrable according to the above criteria and other factors, the Company performs an impairment assessment and records an impairment loss, if any, before reclassifying exploration and evaluation costs to plant, equipment, and mining properties.

iii) Functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment, in which the entity operates. The Company has determined the functional currency of the Company to be the Canadian dollar. The Company has determined the functional currency of its Mexican subsidiaries to be the US dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment. The Company reconsiders the functional currency of its entities, if there is a change in events and conditions, which determine the primary economic environment.

b) Significant assumptions about the future and other sources of estimation uncertainty that management has made at the consolidated statement of financial position date that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made relate to, but are not limited to, the following:

i) Stockpile and concentrate inventory valuations

Concentrate and stockpile mineralized material are valued at the lower of average cost or net realizable value. The assumptions used in the valuation of concentrate and stockpile mineralized material include estimates of copper, silver, and gold contained in the stockpiles and finished goods assumptions for the amount of copper, silver, and gold that is expected to be recovered from the concentrate. If these estimates or assumptions prove to be inaccurate, the Company could be required to write down the recorded value of its concentrate and stockpile mineralized material inventory, which would result in an increase in the Company's expenses and a reduction in its working capital.

ii) Estimated reclamation provisions

The Company's provision for reclamation represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs at the Avino and San Gonzalo properties. The provision reflects estimates of future costs, inflation, foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors could result in a change to the provision recognized by the Company.

Changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of the related exploration and evaluation assets or mining properties. Adjustments to the carrying amounts of related mining properties result in a change to future depletion expense.

iii) Valuation of share-based payments and warrants

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments and warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect fair value estimates and the Company's net income or loss and its equity reserves.

iv) Impairment of plant, equipment and mining properties, and exploration and evaluation assets

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's plant, equipment, and mining properties, and exploration and evaluation assets are impaired. External sources of information management considers include changes in the market, economic and legal environments, in which the Company operates, that are not within its control and that affect the recoverable amount of its plant, equipment, and mining properties. Internal sources of information that management considers include the manner in which mining properties and plant and equipment are being used, or are expected to be used, and indications of economic performance of the assets.

In determining the recoverable amounts of the Company's plant, equipment and mining properties, management makes estimates of the undiscounted future pre-tax cash flows expected to be derived from the Company's mining properties, and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future non expansionary capital expenditures, reductions in the amount of recoverable resources and exploration potential, and adverse current economic conditions are examples of factors that could result in a write down of the carrying amounts of the Company's plant, equipment and mining properties, and exploration and evaluation assets.

Impairment

There is significant judgment involved in assessing whether any indications of impairment exist for plant, equipment and mineral properties, with consideration given to both external and internal sources of information.

Information the Company considers include changes in the technological market, economic and legal environment in which the Company operates that are not within its control that affect the recoverable amount of mineral properties. Internal sources of information include the manner in which mineral property, plant and equipment are being used or are expected to be used and indications of the economic performance of the assets.

Changes in metal price forecasts, changes in discount rates, increases or decreases in estimated future costs of production, increases or decreases in estimated future capital costs, reductions or increases in the amount of recoverable mineral resources and/or adverse or favorable current economics can result in a write-down or write-up of the carrying amounts of the Company's mining interests.

Based on the Company's assessment with respect to possible indicators of impairment of its mineral properties, including the prevailing market metals prices and existence of a market capitalization deficiency, the Company concluded that as of December 31, 2025, no impairment indicator was identified.

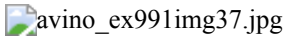
There were no indicators of impairment identified as of December 31, 2025, on any of the Company's CGUs.

v) Depreciation rate for plant and equipment and depletion rate for mining properties

Depreciation and depletion expenses are allocated based on estimates for useful lives of assets. Should the asset life, depletion rates, or depreciation rates differ from the initial estimate, the revised life or rate would be reflected prospectively through income or loss. A change in the mineral resource estimate may impact depletion expense on a prospective basis.

vi) Recognition and measurement of deferred tax assets and liabilities

Actual amounts of income tax expense are not final until tax returns are filed and accepted by the relevant authorities. This occurs subsequent to the issuance of the consolidated financial statements. Therefore, tax assets and liabilities and net income in subsequent periods will be affected by the amount that estimates differ from the final tax return. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that could materially affect the amounts of deferred tax assets and liabilities.



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.

3) MATERIAL ACCOUNTING POLICIES

Exploration and evaluation assets and development costs

Exploration and evaluation expenditures

The Company capitalizes all costs relating to the acquisition, exploration and evaluation of mineral claims. Expenditures incurred before the Company has obtained the legal rights to explore a specific area are expensed. The Company's capitalized exploration and evaluation costs are classified as intangible assets. Such costs include, but are not limited to, certain camp costs, geophysical studies, exploratory drilling, geological and sampling expenditures, and depreciation of plant and equipment during the exploration stage. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur. The proceeds from the sales of such assets are recognized as revenue.

The carrying values of capitalized amounts are reviewed annually, or when indicators of impairment are present. In the case of undeveloped properties, there may be only inferred resources to allow management to form a basis for the impairment review. The review is based on the Company's intentions for the development of such properties. If a mineral property does not prove to be viable, all unrecoverable costs associated with the property are charged to the consolidated statement of comprehensive income at the time the determination is made.

When the technical feasibility and commercial viability of extracting mineral resources have been demonstrated, exploration and evaluation costs are assessed for impairment, reclassified to mining properties and become subject to depletion. Management considers the technical feasibility and commercial viability of extracting a mineral resource to be demonstrable upon the completion of a positive feasibility study and the establishment of mineral reserves. For

certain mineral projects, management may determine the completion of a feasibility study to be cost prohibitive, unnecessary or to present undue risk to the structural integrity of the ore body. Under such circumstances, management considers technical feasibility to be demonstrable when the Company has obtained the necessary environmental and mining permits, land surface and mineral access rights, and the mineral project can be physically constructed and operated in a technically sound manner to produce a saleable mineral product. In assessing whether commercial viability is demonstrable, management considers if its internal economic assessment indicates that the mineral project can be mined to generate a reasonable return on investment for the risk undertaken, and markets or long-term contracts for the product exist.

Development expenditures

Mine development costs are capitalized until the mineral property is capable of operating in the manner intended by management. The Company evaluates the following factors in determining whether a mining property is capable of operating in the manner intended by management:

- The completion and assessment of a reasonable commissioning period of the mill and mining facilities;
- Consistent operating results are achieved during the test period;
- Existence of clear indicators that operating levels intended by management will be sustainable for the foreseeable future;
- Plant / mill has reached a pre-determined percentage of design capacity;
- Adequate funding is available and can be allocated to the operating activities; and,
- Long term sales arrangements have been secured.

The carrying values of capitalized development costs are reviewed annually, or when indicators are present, for impairment.

Plant, equipment and mining properties

Upon demonstrating the technical feasibility and commercial viability of extracting mineral resources, all expenditures incurred to that date for the mine are reclassified to mining properties. Expenditures capitalized to mining properties include all costs related to obtaining or expanding access to resources including extensions of the haulage ramp and installation of underground infrastructure, and the estimated reclamation provision. Expenditures incurred with respect to a mining property are capitalized when it is probable that additional future economic benefits will flow to the Company. Otherwise, such expenditures are classified as a cost of sales.

Plant and equipment are recorded at historical cost less accumulated depreciation and any accumulated impairment losses. Historical costs include expenditures that are directly attributable to bringing the asset to a location and condition necessary to operate in a manner intended by management. Such costs are accumulated as construction in progress until the asset is available for use, at which point the asset is classified as plant, equipment and mining properties and depreciation commences.

After the date that management's intended production levels have been achieved, mining properties are depleted using the straight-line method over the estimated remaining life of the mine. The Company estimates the remaining life of its producing mineral properties on an annual basis using a combination of quantitative and qualitative factors including historical results, mineral resource estimates, and management's intent to operate the property. Such estimation is a subjective process and the accuracy of any mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices, discount rate and market conditions could have a material effect in the future on the Company's financial position, results of operation and cash flows.

The Company does not have sufficient reserve information to form a basis for the application of the units-of-production method for depreciation and depletion.

As at December 31, 2025 and 2024, the Company estimated a remaining mine life for the Avino Mine of 17 years and 18 years, respectively.

Upon the acquisition of an asset or a group of assets and liabilities that does not constitute a business, the Company identifies and recognizes the individual identifiable assets acquired and liabilities assumed. The cost of the group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill. Transaction costs related to the acquisition is capitalized as part of cost of assets acquired.

Accumulated mill, machinery, plant facilities, and certain equipment are depreciated using the straight-line method over their estimated useful lives, not to exceed the life of the mine for any assets that are inseparable from the mine. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (or components) of plant and equipment.

Plant and equipment are depreciated using the following annual rates and methods:

Office equipment, furniture, and fixtures	5 years straight line balance
Computer equipment	3 years straight line balance
Mine machinery and transportation equipment	5 years straight line balance
Mill machinery and processing equipment	5 - 20 years straight line
Buildings	5 - 20 years straight line

Impairment

At each financial position reporting date, the carrying amounts of the Company's non-financial or long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash generating unit is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, provided the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Leases

The Company assesses whether a contract is, or contains, a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Company and the lease does not benefit from a guarantee from the Company.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the ‘Plant, Equipment and Mining Properties’ policy.

Inventory

Material extracted from the Company's mine is classified as either process material or waste. Process material represents mineralized material that, at the time of extraction, the Company expects to process into a saleable form and sell at a profit, while waste is considered uneconomic to process and its extraction cost is included in direct mining costs. Raw materials are comprised of process material stockpiles. Process material is accumulated in stockpiles that are subsequently processed into bulk copper, silver, and gold concentrate in a saleable form. The Company has bulk copper, silver, and gold concentrate inventory in saleable form that has not yet been sold. Mine operating supplies represent commodity consumables and other raw materials used in the production process, as well as spare parts and other maintenance supplies that are not classified as capital items.

Inventories are valued at the lower of cost and net realizable value ("NRV"). Cost is determined on a weighted average basis and includes all costs incurred, based on normal production capacity, in bringing each product to its present location and condition. Cost of inventories comprises direct labor, materials and contractor expenses, depletion and depreciation on mining properties, plant and equipment, and an allocation of mine site costs. As mineralized material is removed for processing, costs are removed based on the average cost per tonne in the stockpile. Stockpiled process material tonnages are verified by periodic surveys.

NRV of mineralized material is determined with reference to relevant market prices less the estimated costs of completion and the estimated costs necessary to make the sale. NRV of materials and supplies is generally calculated by reference to salvage or scrap values when it is determined that the supplies are obsolete. NRV provisions are recorded within cost of sales in the consolidated statement of operations, and are reversed to reflect subsequent recoveries where the inventory is still on hand.

Revenue from Contracts with Customers

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs to sell can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and other sales tax or duty.

Performance Obligations

Based on the criteria outlined in IFRS 15, the Company applied judgment in determining that the primary performance obligation relating to its sales contracts is the delivery of concentrates. Shipping and insurance services arranged by the Company for concentrate sales that occur after the transfer of control are also considered performance obligations.

Transfer of Control

Based on the criteria outlined in IFRS 15, the Company applied judgment in determining when the transfer of control occurs. Management based its assessment on a number of indicators of control, which include but are not limited to, whether the Company has the present right of payment and whether the physical possession of the goods, significant risks and rewards, and legal title have been transferred to the customer.

Provisional Pricing

Based on the criteria outlined in IFRS 15, the Company applied significant judgment in determining variable consideration. The Company identified a provisional pricing component in concentrate sales, representing variable consideration in the form of adjustments between original and final assay results relating to the quantity and quality of concentrate shipments. Pricing adjustments between provisional and final invoicing based on market prices for base and precious metals are included in revenues until final settlement.

Based on the Company's historical accuracy in the assay process, as evidenced by the negligible historical adjustments relating to assay differences, the Company concluded the variability in consideration caused by the assaying results is

negligible. The Company does not expect a significant amount of reversal related to assaying differences. The Company records revenues based on provisional invoices based on quoted market prices of the London Bullion Market Association and the London Metal Exchange during the quotation period outlined in the concentrate sales agreement. The Company applied judgment to determine the amount of variable consideration to be recognized during the period for which the likelihood of significant reversal is low.

Financial Instruments

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's consolidated statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial asset and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effect interest method, and is recognized in Interest and other income, on the consolidated statements of operations and comprehensive income.

The Company financial assets at amortized costs include amounts receivable not related to sales of concentrate (including due from related parties) and reclamation bonds.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL")

By default, all other financial assets are measured subsequently at FVTPL, which includes cash, long-term investments, and amounts receivable from concentrate sales.

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable and amounts due to related parties.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the consolidated statements of operations.

The Company has hedging arrangements. Financial liabilities related to hedging arrangements are classified FVTPL upon initial recognition. Fair value changes on financial liabilities classified as FVTPL are recognized in the consolidated statements of operations. As these arrangements mature, the fair value of the recorded derivative liability on the date of maturity is included in the consolidated statement of operations, along with the related decrease or increase to the derivative liability.

Impairment

The Company recognizes a loss allowance for expected credit losses on its financial assets when necessary. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Share capital

a) Common shares

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and equity warrants are recognized as a deduction from equity, net of any tax effects. Transaction costs directly attributable to derivative warrants are charged to operations as a finance cost.

b) Repurchase of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to accumulated deficit.

Share-based payment transactions

The Company's share option plan and restricted share unit ("RSU") plan allows directors, officers, employees, and consultants to acquire common shares of the Company.

The fair value of options granted is measured at fair value at the grant date based on the market value of the Company's common shares on that date.

The fair value of equity-settled RSUs is measured at the grant date based on the market value of the Company's common shares on that date, and each tranche is recognized using the graded vesting method over the period during which the RSUs vest. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of RSUs that are expected to vest.

All options and RSUs are recognized in the consolidated statements of operations and comprehensive income as an expense over the vesting period with a corresponding increase in equity reserves in the consolidated statements of financial position.

Reclamation and other provisions

Provisions are recognized where a legal or constructive obligation has been incurred as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If material, provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in any provision due to the passage of time is recognized as accretion expense.

The Company records the present value of estimated costs of legal and constructive obligations required to restore properties in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and restoration, reclamation, and re-vegetation of affected areas.

The fair value of the liability for a rehabilitation provision is recorded when it is incurred. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining property or exploration and evaluation asset. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability, which is accreted over time through periodic charges to income or loss. A revision in estimates or new disturbance will result in an adjustment to the provision with an offsetting adjustment to the mineral property or the exploration and evaluation asset. Additional disturbances, changes in costs, or changes in assumptions are recognized as adjustments to the corresponding assets and reclamation liabilities when they occur.

Earnings per share

The Company presents basic and diluted earnings per share data for its common shares, calculated by dividing the earnings attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted earnings per share is determined by adjusting the earnings attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all potentially dilutive common shares.

Income taxes

Income taxes in the years presented are comprised of current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized as equity.

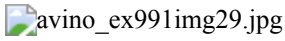
Deferred tax is recognized using the statement of financial position asset and liability method, which provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognized is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the consolidated statement of financial position date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or an asset or liability in a transaction other than a business combination that affects neither accounting profit nor taxable profit.

4) RECENT ACCOUNTING PRONOUNCEMENTS

New and amended IFRS Accounting Standards 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.



Amendments to IAS 21 – Lack of Exchangeability

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. In addition, the amendments require the disclosure of information that enables users of financial statements to understand the impact of currency not being exchangeable. There was no material impact on the Company's consolidated financial statements from the adoption of these amendments.

Future Changes in Accounting Policies Not Yet Effective as at December 31, 2025:

Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial instruments

The amendments provide guidance on the derecognition of a financial liability settled through electronic transfer, as well as the classification of financial assets for: contractual terms consistent with a basic lending arrangement; assets with non-recourse features and contractually linked instruments.

Additionally, the amendments introduce new disclosure requirements related to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI"), and additional disclosures for financial instruments with contingent features.

The amendments to IFRS 9 and IFRS 7 regarding the Classification and Measurement of Financial Instruments with a mandatory application of the standard on annual reporting periods beginning on or after January 1, 2026. We are currently assessing these standards, and their potential impact on the Company in the current or future reporting periods.

Amendments to IFRS 18 – Presentation and Disclosure in Financial Statements

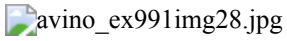
In April 2024, the IASB released IFRS 18. IFRS 18 replaces IAS 1 while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements: i) present specified categories and defined subtotals in the statement of earnings, ii) provide disclosures on management defined performance measures (MPMs) in the notes to the financial statements, iii) improve aggregation and disaggregation. IFRS 18 requires retrospective application with specific transition provisions.

IFRS 18 regarding the Presentation and Disclosure of Financial Statements with a mandatory application of the standard on annual reporting periods beginning on or after January 1, 2027. We are currently assessing these standards, and their potential impact on the Company in future reporting periods.

5) 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.

	December 31, 2025	December 31, 2024
VAT recoverable	$ 1,731	$ 179
GST recoverable	22	16
Income taxes recoverable	17	-
	$ 1,770	$ 195



6) INVENTORY

	December 31, 2025	December 31, 2024
Process material stockpiles	$ 3,016	$ 2,520
Concentrate inventory	4,230	1,861
Materials and supplies	4,950	3,230
	$ 12,196	$ 7,611

The amount of inventory recognized as an expense for the year ended December 31, 2025 totaled $43,178 (2024 – $42,977). See Note 14 for further details. During the year ended December 31, 2025, the Company wrote down $79 of materials and supplies inventory due to obsolescence (2024 – $156).

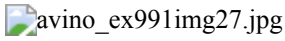
7) LONG-TERM INVESTMENTS

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:

	Fair Value December 31, 2024	Net Additions / (Disposals)	Movements in foreign exchange	Fair value adjustments for the period	Fair Value December 31, 2025
Talisker Resources Common Shares	$ 685	$ (802)	$ 54	$ 2,414	$ 2,351
Silver Wolf Exploration Ltd. Common Shares	359	723	22	10	1,114
Silver Wolf Exploration Ltd. Warrants	20	125	7	224	376
Endurance Gold Corp. Common Shares	146	-	4	34	184
Endurance Gold Corp. Warrants	37	-	2	87	126
	$ 1,247	$ 46	$ 89	$ 2,769	$ 4,151

Silver Wolf

During the year ended December 31, 2025, the Company received 2,000,000 common shares of Silver Wolf, a related party of the Company (see Note 8 and Note 11 for further details), as a result of milestones associated with an Option Agreement to acquire certain exploration and evaluation assets (Note 8), with a fair value of $189 (C$260) on acquisition. The Company further acquired, by way of participation in Silver Wolf's Listed Issuer Financing Exemption private placement, 5,000,000 units at a purchase price of C$0.15, consisting of 5,000,000 common shares and 2,500,000 non-transferrable common share purchase warrants at an exercise price of C$0.25 for a total investment of $534 (C$750). The share purchase warrants were recorded at a fair value of $125 (C$175).



8) 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	Canada	Total
Balance, December 31, 2023	$ 15,698	$ 34,412	$ 1	$ 50,111
Drilling and exploration	130	1,449	-	1,579
Assessments and taxes	195	1,018	-	1,213
Disposition of Olympic claims	-	-	(1)	(1)
Effect of movements in exchange rates	(31)	19	-	(12)
Balance, December 31, 2024	$ 15,992	$ 36,898	$ -	$ 52,890
Drilling and exploration	70	310	-	380
Assessments and taxes	185	12	-	197
Transfer to other assets	-	(2,215)		(2,215)
Transfer to mining properties (Note 10)	-	(35,005)		(35,005)
Disposition of Ana Maria and El Laberinto claims	(556)	-	-	(556)
Effect of movements in exchange rates	8	-	-	8
Balance, December 31, 2025	$ 15,699	$ -	$ -	$ 15,699

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.

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.

Option Agreement – Silver Wolf Exploration 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"). During the year ended December 31, 2025, Silver Wolf completed all requirements of the Option Agreement and acquired the 100% interest.

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, consist 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.

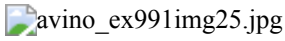
b) La Preciosa, Mexico

La Preciosa is a development stage mineral property located in the state of Durango, Mexico, within the municipalities of Pánuco de Coronado and Canatlán. The Project is hosting one of the largest undeveloped primary silver resources in Mexico, and is located adjacent to Avino's existing operations at the Avino Property in Durango, Mexico. The property covers an area of approximately 1,134 hectares and is located on the eastern flank of the Sierra Madre Occidental mountain range.

On April 1, 2025, the Company determined that La Preciosa had demonstrated technical feasibility and commercial viability to support the reclassification from the exploration and evaluation asset stage to the development stage and mining properties with plant, equipment and mining properties.

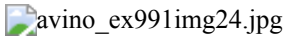
As such, the Company performed an assessment for impairment under IFRS 6 prior to reclassification. Management assessed whether or not the assets were impaired using a quantitative assessment of the recoverable value.

Based on these factors, all of the criteria required by IAS 36.10 have been met, and the Company determined that the recoverable amount exceeds the carrying value, and no impairment was recorded.



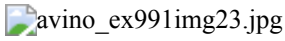
9) NON-CONTROLLING INTEREST

At December 31, 2025, the Company had an effective 99.67% (December 31, 2024 - 99.67%) interest in its subsidiary Avino Mexico and the remaining 0.33% (December 31, 2024 - 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.



10) 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, 2024	18,375	844	1,929	17,573	26,232	15,370	80,323
Additions / Transfers	870	395	18	417	2,994	445	5,139
Writedowns	-	(36)	(183)	(1,679)	(983)	(822)	(3,703)
Effect of movements in exchange rates	(15)	(12)	(1)	20	(21)	(11)	(40)
Balance at December 31, 2024	19,230	1,191	1,763	16,331	28,222	14,982	81,719
Additions / Transfers	4,436	55	200	8,973	4,425	842	18,931
Transfer from exploration and evaluation assets (Note 8)	35,005	-	-	-	-	-	35,005
Royalty buyback	21,787	-	-	-	-	-	21,787
Writedowns	-	(12)	(7)	(1,716)	(343)	-	(2,078)
Effect of movements in exchange rates	12	-	-	3	-	27	42
Balance at December 31, 2025	80,470	1,234	1,956	23,591	32,304	15,851	155,406
ACCUMULATED DEPLETION AND DEPRECIATION / IMPAIRMENT							
Balance at January 1, 2024	9,473	548	781	5,235	7,894	3,323	27,254
Additions	426	130	401	1,534	549	339	3,379
Writedowns	-	(35)	(182)	(1,472)	(594)	(432)	(2,715)
Balance at December 31, 2024	9,899	643	1,000	5,297	7,849	3,230	27,918
Additions	503	148	410	1,523	774	329	3,687
Writedowns	-	(11)	(5)	(1,455)	(93)	-	(1,564)
Balance at December 31, 2025	10,402	780	1,405	5,365	8,530	3,559	30,041
NET BOOK VALUE							
At December 31, 2025	**70,068**	**454**	**551**	**18,226**	**23,774**	**12,292**	**125,365**
At December 31, 2024	**9,331**	**548**	**763**	**11,034**	**20,373**	**11,752**	**53,801**



Included in Buildings and construction in process above are assets under construction of $5,019 as at December 31, 2025 (December 31, 2024 - $3,443) 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 December 31, 2025, the Company recorded a write-down of $514 (December 31, 2024 - $988) against the carrying value of mine and mill machinery and transportation equipment due to damage and obsolescence.

As at December 31, 2025, plant, equipment and mining properties included a net carrying amount of $9,162 (December 31, 2024 - $5,162) for mining equipment and right of use assets under lease.

On August 25, 2025, the Company acquired all outstanding royalties and obligations held by Deterra Royalties Inc., on the La Preciosa property. Consideration for the transaction was $13.25 million upfront payment, followed by an $8.75 million payment deferred for one year. The consideration has been measured at fair value as of the transaction date and recorded as an addition to mineral properties. The present value of the deferred obligation payment was calculated using a discount interest rate of 7.47%.

11) 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:

	2025	2024
Salaries, benefits, and consulting fees	$ 2,558	$ 1,203
Share-based payments	3,003	1,666
	$ 5,561	$ 2,869

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:

	December 31, 2025	December 31, 2024
Oniva International Services Corp.	$ 98	$ 95
Silver Wolf Exploration Ltd.	(239)	(113)
	$ (141)	$ (18)

For consulting services provided to the Company by the President and Chief Executive Officer, the Company pays Intermark Capital Corporation ("ICC"), a company controlled by the Company's President and CEO and director. For the year ended December 31, 2025, the Company paid $788 (December 31, 2024 - $281) 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. The President & CEO, and 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.

The transactions with Oniva are summarized below:

	2025	2024
Salaries and benefits	$ 1,116	$ 974
Office and miscellaneous	573	480
	$ 1,689	$ 1,454

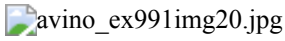
12) RECLAMATION PROVISION

Management's estimate of the reclamation provision at December 31, 2025, is $2,921 (December 31, 2024 – $2,062), and the undiscounted value of the obligation is $5,573 (December 31, 2024 – $4,825).

The present value of the obligation was calculated using a risk-free interest rate of 9.13% (December 31, 2024 – 9.70%) and an inflation rate of 3.84% (December 31, 2024 – 3.69%). Reclamation activities are estimated to begin in 2028 for the San Gonzalo Mine and in 2042 for the Avino Mine and La Preciosa Mine.

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

	December 31, 2025	December 31, 2024
Balance at beginning of the period	$ 2,062	$ 2,195
Changes in estimates	349	84
Unwinding of discount	204	197
Effect of movements in exchange rates	306	(414)
Balance at end of the period	$ 2,921	$ 2,062



13) SHARE CAPITAL AND SHARE-BASED PAYMENTS

a) Authorized: Unlimited common shares without par value

b) Issued:

During the year ended December 31, 2025, the Company issued 16,504,560 common shares through an at- the-market offering via a prospectus supplement for gross proceeds of $77,024. The Company paid a 2.75% cash commission of $2,118 on gross proceeds, for net proceeds of $74,906. Professional fees incurred associated with the base shelf and prospectus supplements were $690.

During the year ended December 31, 2025, the Company issued 1,308,296 common shares upon vesting of RSUs. As a result, $1,008 was recorded to share capital and $342 was recorded as a result of RSUs forfeit for withholding taxes.

During the year ended December 31, 2025, the Company issued 3,930,490 common shares following the exercise of 4,251,000 stock options, with 320,510 shares being forfeit for net exercise. As a result, $4,768 was recorded to share capital, representing cash proceeds of $2,617 and the fair value upon issuance of $2,151.

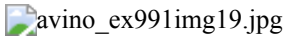
During the year ended December 31, 2024, the Company issued 9,338,685 common shares through an at- the-market offering via a prospectus supplement for gross proceeds of $9,732. The Company paid a 2.75% cash commission of $268 on gross proceeds, for net proceeds of $9,464. The Company also incurred $360 in share issuance costs related to its base shelf prospectus and prospectus supplement filings.

During the year ended December 31, 2024, the Company issued 1,197,709 common shares upon vesting of RSUs. As a result, $1,018 was recorded to share capital.

During the year ended December 31, 2024, the Company issued 1,301,000 common shares following the exercise of 1,301,000 stock options. As a result, $1,515 was recorded to share capital, representing cash proceeds of $986 and the fair value upon issuance of $529.

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, 2024	6,666,000	$ 1.27
Granted	2,500,000	$ 0.78
Exercised	(1,301,000)	$ 1.04
Cancelled / Forfeited	(190,000)	$ 1.26
Stock options outstanding, December 31, 2024	7,675,000	$ 1.15
Granted	2,547,000	$ 2.24
Exercised	(4,251,000)	$ 1.32
Expired	(100,000)	$ 1.64
Stock options outstanding, December 31, 2025	5,871,000	$ 1.50
Stock options exercisable, December 31, 2025	5,196,750	$ 1.38

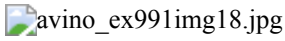
The following table summarizes information about the stock options outstanding and exercisable at December 31, 2025:

		Outstanding		Exercisable	
Expiry Date	Price (C$)	Number of Options	Weighted Average Remaining Contractual Life (Years)	Number of Options	Weighted Average Remaining Contractual Life (Years)
March 25, 2027	$ 1.20	262,500	1.23	262,500	1.23
March 29, 2028	$ 1.12	1,560,000	2.24	1,560,000	2.24
March 25, 2029	$ 0.78	1,624,000	3.23	1,624,000	3.23
April 9, 2030	$ 2.11	2,274,500	4.27	1,675,250	4.27
May 27, 2030	$ 4.38	150,000	4.41	75,000	4.41
		5,871,000	3.31	5,196,750	3.19

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:

	December 31, 2025	December 31, 2024
Weighted average assumptions:		
Risk-free interest rate	2.80%	3.51%
Expected dividend yield	0%	0%
Expected life (years)	5	5
Expected stock price volatility	60.28%	60.73%
Expected forfeiture rate	13%	15%
Weighted average fair value	C$1.06	C$0.43

During the year ended December 31, 2025, the Company charged $1,781 (December 31, 2024 - $907) 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:

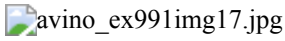
	Underlying Shares	Weighted Average Price (C$)
RSUs outstanding, January 1, 2024	2,994,709	$ 1.03
Granted	1,881,000	$ 1.02
Exercised	(1,197,709)	$ 1.15
Cancelled / Forfeited	(137,132)	$ 1.08
RSUs outstanding, December 31, 2024	3,540,868	$ 1.08
Granted	1,547,715	$ 2.50
Exercised	(1,308,296)	$ 1.10
Cancelled / Forfeited	(443,572)	$ 1.11
RSUs outstanding, December 31, 2025	3,336,715	$ 1.72

The following table summarizes information about the RSUs outstanding at December 31, 2025:

Issuance Date	Price (C$)	Number of RSUs Outstanding
March 29, 2023	$ 1.12	560,000
July 10, 2023	$ 0.94	25,000
April 1, 2024	$ 1.02	1,204,000
April 9, 2025	$ 2.41	1,476,000
May 27, 2025	$ 4.38	71,715
		3,336,715

During the year ended December 31, 2025, 1,547,715 RSUs (December 31, 2024 – 1,881,000) were granted. The weighted average fair value at the measurement date was C$2.50, based on the TSX market price of the Company's shares on the date the RSUs were granted.

During the year ended December 31, 2025, the Company charged $1,945 (December 31, 2024 - $1,128) 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:

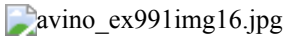
	2025	2024
Net income for the period	$ 26,643	$ 8,100
Basic weighted average number of shares outstanding	147,721,818	134,599,532
Effect of dilutive share options, warrants, and RSUs (‘000)	10,089,458	6,732,332
Diluted weighted average number of shares outstanding	157,811,276	141,331,864
Basic income per share	$ 0.18	$ 0.06
Diluted income per share	$ 0.17	$ 0.06

14) REVENUE AND COST OF SALES

The Company’s revenues for the year ended December 31, 2025 and 2024, are all attributable to Mexico, from shipments of concentrate from the Avino Mine and processing of development material from the La Preciosa Mine.

	2025	2024
Concentrate sales	$ 85,166	$ 67,133
Provisional pricing adjustments	7,061	(955)
	$ 92,227	$ 66,178

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 for the year ended December 31, 2025 and 2024:

	2025	2024
Production costs	$ 39,518	$ 38,600
Write down of equipment and materials and supplies inventory	593	1,144
Depreciation and depletion	3,581	3,233
	$ 43,692	$ 42,977

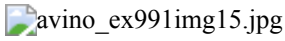
15) GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses consist of the following:

	2025	2024
Salaries and benefits	$ 4,321	$ 1,918
Office and miscellaneous	1,344	1,591
Professional fees	899	1,326
Management and consulting fees	999	490
Investor relations	379	270
Regulatory and compliance fees	197	176
Directors' fees	195	170
Travel and promotion	192	132
Depreciation	164	153
	$ 8,690	$ 6,226

16) COMMITMENTS & CONTINGENCIES

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 11.



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:

	December 31, 2025	December 31, 2024
Not later than one year	$ 459	$ 180
Later than one year and not later than five years	1,677	1,052
Later than five years	3,210	3,312
	$ 5,346	$ 4,544

Office lease payments recognized as an expense during the year ended December 31, 2025, totaled $39 (December 31, 2024 - $39).

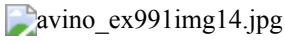
Due to the nature of the Company's activities, the Company is from time to time involved in various claims and legal proceedings arising in the conduct of its business. At the reporting date, none of such claims and legal proceedings are considered probable of resulting in a material loss or judgment against the Company.

17) SUPPLEMENTARY CASH FLOW INFORMATION

	2025	2024
Net change in non-cash working capital items:		
Inventory	$ (4,721)	$ 1,053
Prepaid expenses and other assets	191	(373)
Taxes recoverable	(1,575)	6,385
Taxes payable	4,018	2,998
Accounts payable and accrued liabilities	3,792	(1,357)
Amounts receivable	(8,653)	(47)
Amounts due to related parties	(971)	(444)
	$ (7,919)	$ 8,035

	2025	2024
Other supplementary information:		
Interest paid	$ 342	$ 238
Taxes paid	7,023	12
	$ 7,365	$ 250

	2025	2024
Non-cash investing and financing activities:		
Shares acquired under terms of option agreements	$ 189	$ 118
Transfer of share-based payments reserve upon vesting of RSUs	1,008	1,018
Transfer of share-based payments reserve upon exercise of stock options	4,768	1,515
Equipment acquired under finance leases and equipment loans	5,835	889
Transfer of SBC reserves upon cancellation of options	65	-
	$ 11,865	$ 3,540



18) FINANCIAL INSTRUMENTS

The fair values of the Company's amounts receivable not subject to provisional pricing, due to/from related parties and accounts payable approximate their carrying values because of the short-term nature of these instruments. Cash, amounts receivable subject to provisional pricing, long-term investments are recorded at fair value. The carrying amounts of the Company's deferred consideration payable, 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, 2024 – two) counterparties (see Note 20). 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.

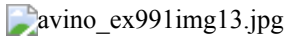
The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the consolidated statement of financial position. At December 31, 2025, no amounts were held as collateral.

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 December 31, 2025, in the amount of $101,724 and current assets exceeded current liabilities by $99,562 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 December 31, 2025, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Accounts payable and accrued liabilities	$ 14,204	$ 14,204	$ -	$ -
Deferred consideration payable	8,750	8,750	-	-
Equipment loans	422	225	197	-
Finance lease obligations	5,946	2,907	3,039	-
Total	$ 29,322	$ 26,086	$ 3,236	$ -



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.

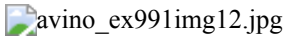
In management's opinion, the Company is not materially exposed to interest rate risk, as any material debt obligations that bear interest are fixed and not subject to floating interest rates. A 10% change in the interest rate would not result in a material impact on the Company's operations.

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:

	December 31, 2025		December 31, 2024	
	MXN	CDN	MXN	CDN
Cash	$ 29,172	$ 1,710	$ 13,989	$ 396
Due from related parties	4,026	-	2,287	-
Long-term investments	-	5,690	-	1,742
Reclamation bonds	-	6	-	6
Amounts receivable	11,461	30	3,599	24
Accounts payable and accrued liabilities	(73,792)	(311)	(65,989)	(46)
Due to related parties	-	(135)	-	(136)
Finance lease obligations	(4,320)	(430)	(2,031)	(549)
Net exposure	(33,453)	6,560	(48,145)	1,437
US dollar equivalent	$ (1,863)	$ 4,785	$ (2,349)	$ 998

Based on the net US dollar denominated asset and liability exposures as at December 31, 2025, a 10% fluctuation in the US/Mexican and Canadian/US exchange rates would impact the Company's earnings for the year ended December 31, 2025, by approximately $248 (December 31, 2024 - $144). The Company has entered into certain foreign currency contracts to mitigate this risk and during the year ended December 31, 2025, recorded a derivative asset of $1,314 (December 31, 2024 – derivative liability of $475).



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 December 31, 2025, 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 $743 (December 31, 2024 - $36).

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 December 31, 2025, a 10% change in market prices would have an impact on net earnings (loss) of approximately $384 (December 31, 2024 - $119).

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:

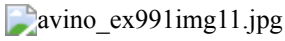
Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

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 December 31, 2025:

	Level 1	Level 2	Level 3
Financial assets			
Cash	$ 101,724	$ -	$ -
Amounts receivable	-	7,430	-
Derivative asset	-	1,314	-
Long-term investments	3,843	-	308
Total financial assets	$ 105,567	$ 8,744	$ 308
Financial liabilities			
Derivative liability	-	-	-
Total financial liabilities	$ -	$ -	$ -



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 December 31, 2024:

	Level 1	Level 2	Level 3
Financial assets			
Cash	$ 27,317	$ -	$ -
Amounts receivable	-	369	-
Derivative asset	-	-	-
Long-term investments	1,190	-	57
Total financial assets	$ 28,507	$ 369	$ 57
Financial liabilities			
Derivative liability	-	(475)	-
Total financial liabilities	$ -	$ (475)	$ -

19) CAPITAL MANAGEMENT

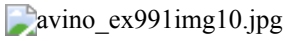
The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and expansion of its properties and to maintain a flexible capital structure for its projects for the benefit of its stakeholders. In the management of capital, the Company includes equity (comprising of all issued share capital, equity reserves, retained earnings or accumulated deficit, and other comprehensive income (loss), equipment loan obligations, and finance lease obligations, are listed as follows:

	2025	2024
Equity	$ 234,030	$ 125,399
Deferred consideration payable	8,326	-
Equipment loan obligations	388	193
Finance lease obligations	5,626	2,436
	$ 248,370	$ 128,028

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to incur new debt or issue new shares. Management reviews the Company's capital structure on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. At December 31, 2025, the Company expects its capital resources and projected future cash flows from operations to support its normal operating requirements on an ongoing basis, and planned development and exploration of its mineral properties and other expansionary plans. At December 31, 2025, there was no externally imposed capital requirement to which the Company was subject and with which the Company did not comply.

20) 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 at the mine operating income or loss level, as well as on the basis of total comprehensive income. Effective December 31, 2025, it was determined that the Company has two reportable operating segments, located in Mexico (Avino and La Preciosa). The Company also has a Corporate segment located in Canada. Revenues, cost of sales, operating expenses, other items and income taxes are attributed to the operation in which they arise. Segment results are presented net of intersegment transactions where services are performed on behalf of other segments within the Company. There are no amounts unallocated to reportable segments. In 2024, the Company only had one reportable segment. Following this change in the composition of reportable segments, the Company has restated the corresponding segment information as at and for the year ended December 31, 2024, and the information as at December 31, 2024.



The following table represents the statement of operations and other comprehensive income by segment:

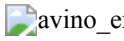
For the year ended December 31		Revenue	Cost of sales - production costs	Cost of sales - depreciation	Cost of sales - other	Mine operating income	Total comprehensive income
Mexico							
Avino	**2025**	**$ 90,446**	**$ 38,587**	**$ 3,549**	**$ 593**	**$ 47,717**	**$ 38,103**
	2024	65,398	38,052	3,233	1,144	22,969	12,451
La Preciosa	**2025**	**1,781**	**963**	**-**	**-**	**818**	**822**
	2024	780	548	-	-	232	233
Canada							
Corporate	**2025**	**-**	**-**	**-**	**-**	**-**	**(10,511)**
	2024	-	-	-	-	-	(5,411)
Consolidated	**2025**	**$ 92,227**	**$ 39,550**	**$ 3,549**	**$ 593**	**$ 48,535**	**$ 28,414**
	2024	$ 66,178	$ 38,600	$ 3,233	$ 1,144	$ 23,201	$ 7,273

The following table represents information from the consolidated statement of financial position by segment:

As at December 31		PP&E assets (including mineral properties	E&E assets	Total mining assets	Total assets	Total liabilities
Mexico						
Avino	**2025**	**$ 59,892**	**$ 15,699**	**$ 75,591**	**$ 116,941**	**$ 28,390**
	2024	52,346	15,992	68,337	92,907	20,569
La Preciosa	**2025**	**65,154**	**-**	**65,154**	**73,626**	**6,389**
	2024	1,053	36,898	37,951	38,794	2,330
Canada						
Corporate	**2025**	**319**	**-**	**319**	**88,465**	**10,022**
	2024	402	-	402	17,009	413
Consolidated	**2025**	**$ 125,365**	**$ 15,699**	**$ 141,064**	**$ 279,032**	**$ 44,801**
	2024	$ 53,801	$ 52,890	$ 106,691	$ 148,711	$ 23,312

On the consolidated statements of operations and other comprehensive income, the Company had revenue from the following product mixes, all deriving from its Mexico operations:

	2025	2024
Silver	$ 42,069	$ 28,284
Copper	27,603	27,437
Gold	27,362	16,962
Penalties, treatment costs and refining charges	(4,807)	(6,505)
Total revenue from mining operations	$ 92,227	$ 66,178



For the years ended December 31, 2025 and 2024, the Company had the following customers that accounted for total revenues as follows:

	2025	2024
Customer #1	$ 87,761	$ 58,754
Customer #2	3,194	6,218
Other customers	1,272	1,206
Total revenue from mining operations	$ 92,227	$ 66,178

21) INCOME TAXES

a) Income tax expense

Income tax expense included in the consolidated statements of operations and comprehensive income is as follows:

	2025	2024
Current income tax expense	$ 11,590	$ 6,288
Deferred income tax expense	1,665	33
Total income tax expense	$ 13,255	$ 6,321

The reconciliation of income taxes calculated at the Canadian statutory tax rate to the income tax expense recognized in the year is as follows:

	2025	2024
Net income before income taxes	$ 39,898	$ 14,421
Combined statutory tax rate	27.00%	27.00%
Income tax expense at the Canadian statutory rate	10,772	3,894
Reconciling items:		
Effect of difference in foreign tax rates	1,260	477
Non-deductible/non-taxable items	2,893	217
Change in unrecognized deductible temporary differences	(3,279)	(147)
Impact of foreign exchange	(3,040)	761
Special mining duties	3,104	1,063
Revisions to estimates	2,975	11
Impact of change of tax rates	-	197
Share issue costs	(766)	(162)
Other items	(664)	10
Income tax expense recognized in the year	$ 13,255	$ 6,321



The Company recognized a non-cash recovery of $4,039 for the year ended December 31, 2025 (2024 – expense of $171) related to the deferred tax impact of the special mining duty.

	December 31, 2025	December 31, 2024
Deferred income tax assets	$ 8,689	$ 2,993
Deferred income tax liabilities	(15,083)	(7,722)
	$ (6,394)	$ (4,729)

The approximate tax effects of each type of temporary difference that gives rise to potential deferred income tax assets and liabilities are as follows:

	December 31, 2025	December 31, 2024
Reclamation provision	$ -	$ 794
Non-capital losses	6,845	-
Other deductible temporary differences	2,009	2,199
Exploration and evaluation assets	3,036	(3,626)
Plant, equipment and mining properties	(18,284)	(4,096)
Net deferred income tax liabilities	$ (6,394)	$ (4,729)

The net deferred tax liability presented in these consolidated financial statements is due to the difference in the carrying amounts and tax bases of the Mexican plant, equipment and mining properties which were acquired in the purchase of Avino Mexico. The carrying values of the Mexican plant, equipment and mining properties includes an estimated fair value adjustment recorded upon the July 17, 2006, acquisition of control of Avino Mexico that was based on a share exchange, while the tax bases of these assets are historical undeducted tax amounts that were nil on acquisition. The deferred tax liability is attributable to assets in the tax jurisdiction of Mexico.

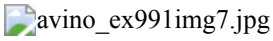
The Company has non-capital tax losses of $22,815 carried forward available to reduce future Mexican taxable income and have an expiry date range of 2026 to 2035.

b) Unrecognized deductible temporary differences:

Temporary differences and tax losses arising in Canada have not been recognized as deferred income tax assets due to the fact that management has determined it is not probable that sufficient future taxable profits will be earned in Canada to recover such assets. Unrecognized deductible temporary differences are summarized as follows:

	December 31, 2025	December 31, 2024
Tax losses carried forward - Canada	$ 20,272	$ 18,435
Tax losses carried forward - Mexico	-	29,845
Share issue costs	2,841	922
Plant, equipment and mining properties	96	563

Exploration and evaluation assets	(7,022)	1,070
Investments	(311)	2,237
Unrecognized deductible temporary differences	$ 15,876	$ 53,072



The Company has capital losses of $7,637 carried forward and $12,635 in non-capital tax losses carried forward available to reduce future Canadian taxable income. The capital losses can be carried forward indefinitely until used. The non-capital losses have an expiry date range of 2026 to 2045.

22) SUBSEQUENT EVENTS

At-The-Market Sales –Subsequent to December 31, 2025, the Company issued 3,099,435 common shares in at- the-market offerings under prospectus supplement for gross proceeds of $24,950.

Stock Options Exercises –Subsequent to December 31, 2025, the Company issued 2,535,226 common shares through the exercise of 2,549,322 stock options at an average exercise price of C$1.17 for proceeds of C$2,960.