



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**

**For the three-month periods ended March 31, 2017 and 2016**

In Canadian dollars

UNAUDITED

## **MAYA GOLD & SILVER INC.**

### **Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

**Maya Gold & Silver Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
(in Canadian dollars) (Unaudited)

	March 31, 2017	December 31, 2016
	\$	\$
<b>ASSETS</b>		
Current		
Cash	4,742,347	4,266,854
Subscription amounts receivable	300,000	-
Sales taxes receivable	1,171,541	1,000,446
Inventories	1,694,710	1,947,176
Prepaid expenses and security deposits	290,325	365,982
	8,198,923	7,580,458
Non-current		
Restricted investment	20,000	20,000
Advance to related parties	4,515	80,477
Non-refundable deposits to suppliers	-	502,982
Property, plant and equipment (Note 4)	18,952,461	19,299,124
Exploration and evaluation assets (Note 5)	4,716,791	4,707,871
<b>TOTAL ASSETS</b>	<b>31,892,690</b>	<b>32,190,912</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	3,081,871	3,107,803
Interest and net profit interest payable to a related party (Note 13)	127,824	607,324
Balance of purchase price payable (Note 5b)	2,630,600	2,597,489
Current portion of the long-term debt (Note 6)	98,216	96,345
Convertible debentures (Note 7)	2,605,000	3,004,566
	8,543,511	9,413,527
Non-current		
Balance of purchase price payable (Note 5b)	1,068,996	1,024,148
Long-term debt (Note 6)	8,029,629	8,116,677
Asset retirement obligations	980,455	977,779
<b>TOTAL LIABILITIES</b>	<b>18,622,591</b>	<b>19,532,131</b>
<b>EQUITY</b>		
Share capital (Note 8)	46,874,586	45,714,774
Share purchase warrants (Note 8b)	3,307,454	2,967,266
Share purchase options (Note 9)	1,427,575	1,724,575
Equity component of convertible debentures	-	2,013,721
Contributed surplus	6,726,204	4,415,483
Deficit	(44,703,403)	(43,840,800)
Accumulated other comprehensive income (loss)	(362,317)	(336,238)
<b>TOTAL EQUITY</b>	<b>13,270,099</b>	<b>12,658,781</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>32,892,690</b>	<b>32,190,912</b>

*Going concern (Note 2),  
The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

On behalf of the Board,

/s/ Martin Wong  
Martin Wong, Director

/s/ Robert Taub  
Robert Taub, Director

**Maya Gold & Silver Inc.**  
**Condensed Interim Consolidated Statements of Comprehensive Loss**  
(in Canadian dollars) (Unaudited)

	Three-month period ended March 31, 2017	Three-month period ended March 31, 2016
	\$	\$
<b>Expenses</b>		
Management and administration (Note 10)	419,252	244,654
Investor relations and corporate development	91,888	22,181
Loss (gain) on foreign exchange	(126,031)	548,039
<b>Operating loss</b>	<b>(385,109)</b>	<b>(814,874)</b>
Royalty	82,006	71,184
Net profit interest expense to a related party (Note 13)	93,395	11,474
Change in fair value of derivative financial instruments	-	12,723
Finance expense (Note 10)	172,141	315,362
Gain on extinguishment of debt	-	(709,571)
<b>Loss before income taxes</b>	<b>(732,651)</b>	<b>(516,046)</b>
Income tax expense	109,675	-
<b>Net loss</b>	<b>(842,326)</b>	<b>(516,046)</b>
<b>Other comprehensive loss</b>		
<b>Items that will be subsequently reclassified to net loss</b>		
Foreign currency translation of foreign subsidiary	(26,079)	455,752
	(26,079)	455,752
<b>Comprehensive loss</b>	<b>(868,405)</b>	<b>(60,294)</b>
Basic and diluted loss per common share	(0.00)	(0.00)
Weighted average number of shares – basic and diluted	204,655,855	159,203,4621

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

**Maya Gold & Silver Inc.**  
**Condensed Interim Consolidated Statements of Changes in Equity**  
(in Canadian dollars) (Unaudited)

	Number of issued and outstanding shares	Share capital	Share purchase warrants	Share purchase options	Equity component of convertible debentures	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$
Balance as at December 31, 2016	199,339,616	45,714,774	2,967,266	1,724,575	2,013,721	4,415,483	(43,840,800)	(336,238)	12,658,781
Issuance of units (Note 8a)	11,538,460	1,159,812	340,188	-	-	-	-	-	1,500,000
Maturity of convertible debentures	-	-	-	-	(2,013,721)	2,013,721	-	-	-
Share issue costs	-	-	-	-	-	-	(20,277)	-	(20,277)
Share purchase options expired (Note 9)	-	-	-	(297,000)	-	297,000	-	-	-
	210,878,076	46,874,586	3,307,454	1,427,575	-	6,726,204	(43,861,077)	(336,238)	14,138,504
Net loss for the period	-	-	-	-	-	-	(842,326)	-	842,326
Other comprehensive loss	-	-	-	-	-	-	-	(26,079)	(26,079)
Comprehensive loss for the period	-	-	-	-	-	-	(842,326)	(26,079)	(868,405)
<b>Balance as at March 31, 2017</b>	<b>210,878,076</b>	<b>46,874,586</b>	<b>3,307,454</b>	<b>1,427,575</b>	<b>-</b>	<b>6,726,204</b>	<b>(44,703,403)</b>	<b>(362,317)</b>	<b>13,270,099</b>
Balance as at December 31, 2015	156,867,116	41,265,911	2,095,215	1,832,830	2,013,721	4,225,842	(39,167,625)	(1,023,360)	11,242,534
Issuance of units (Note 8a)	30,372,500	2,644,333	1,000,367	-	-	-	-	-	3,644,700
Share issue costs	-	-	-	-	-	-	(71,657)	-	(71,657)
Share purchase options expired (Note 9)	-	-	-	(117,055)	-	117,055	-	-	-
	187,239,616	43,910,244	3,095,582	1,715,775	2,013,721	4,342,897	(39,239,282)	(1,023,360)	14,815,577
Net loss for the period	-	-	-	-	-	-	(516,046)	-	(516,046)
Other comprehensive loss	-	-	-	-	-	-	-	455,752	455,752
Comprehensive loss for the period	-	-	-	-	-	-	(516,046)	455,752	(60,294)
<b>Balance as at March 31, 2016</b>	<b>187,239,616</b>	<b>43,910,244</b>	<b>3,095,582</b>	<b>1,715,775</b>	<b>2,013,721</b>	<b>4,342,897</b>	<b>(39,755,328)</b>	<b>(567,608)</b>	<b>14,755,283</b>

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

# Maya Gold & Silver Inc.

## Condensed Interim Consolidated Statements of Cash Flows

(in Canadian dollars)

	Three-month period ended March 31, 2017	Three-month period ended March 31, 2016
<b>Cash flows provided by (used in)</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net loss	(842,326)	(516,046)
Adjustments for non-cash items		
Finance expense	114,741	101,221
Change in fair value of derivative financial instrument	-	12,723
Gain on extinguishment of debt	-	(709,571)
Unrealized (gain) loss on foreign exchange	(60,967)	751,446
Changes in working capital items (Note 12)	208,761	79,182
	(579,791)	(281,045)
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(3,244,966)	(2,129,707)
Silver sales	3,599,146	2,755,324
Additions of exploration and evaluation assets	(8,920)	-
	345,260	625,617
<b>FINANCING ACTIVITIES</b>		
Demand promissory note to a related party	-	(2,264,952)
Repayment of convertible debentures	(445,000)	-
Repayment of long-term debt	(24,699)	-
Addition of long-term debt	-	5,600,683
Issuance of shares and warrants and options, net of issue costs	1,179,723	3,573,043
	710,024	6,908,774
<b>Net change in cash</b>	<b>475,493</b>	<b>7,253,346</b>
Cash, beginning of period	4,266,854	376,327
<b>Cash, end of period</b>	<b>4,742,347</b>	<b>7,629,673</b>

*Supplemental cash flow information (Note 12)*

*The accompanying notes are an integral part of these condensed interim consolidated financial statements.*

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

---

### 1. GENERAL INFORMATION

Maya Gold & Silver Inc. ("Maya") was incorporated on December 19, 2007 under the Canada Business Corporations Act and is listed on the TSX Venture Exchange ("TSXV") under the symbol "MYA". Maya's registered office is located at Suite 207, 10 de la Seigneurie Blvd. East, Blainville, Quebec, Canada.

Maya and its subsidiaries (together the "Corporation") are at the development stage for its Zgounder project and at exploration and evaluation stage for the other projects in Morocco. Their operations include the acquisition, exploration, evaluation and development of mining properties.

The Corporation's Zgounder mine in Morocco, is in the development phase and is currently being commissioned. The Zgounder property is held by Zgounder Millenium Silver Mining S.A ("ZMSM"), which is owned 85% by the Corporation and 15% by L'Office National des Hydrocarbures et des Mines ("ONHYM").

The Corporation has not yet determined whether its other projects contain ore resources that are economically recoverable. The recoverability of amounts shown as exploration and evaluation assets are dependent upon the existence of reserves on these properties, the ability to obtain all required permits, the ability of the Corporation to obtain necessary financing to complete the development of those projects and upon future profitable production from these projects or sufficient proceeds from their disposal thereof. The Corporation will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

### 2. GOING CONCERN

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Corporation's ability to continue as a going concern, as described in the following paragraph, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the three-month period ended March 31, 2017, the Corporation reported a net loss of \$842,326 [2016 - \$516,046] and a comprehensive loss of \$868,405 [2016 - \$60,294]. As at March 31, 2017, the Corporation had an accumulated deficit of \$44,703,403 [December 31, 2016 - \$43,840,800] and a negative working capital of \$344,588 [December 31, 2016 - \$1,833,069], including cash of \$4,742,347 [December 31, 2016 - \$4,266,854]. Management estimates that these funds will not be sufficient to meet the Corporation's obligations and budgeted expenditures through the next 12 months. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its existing commitments, including future payments to acquire mineral properties and conduct minimum exploration and evaluation programs, pursue its mining development at Zgounder and pay for general and administration costs.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

---

### 2. GOING CONCERN (continued)

Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity, debt financing or other means. During the three-month period ended March 31, 2017, the Corporation raised proceeds of \$1,479,723 from the issuance of units net of issue costs (2016 - \$3,644,700 from the issuance of units and US\$4,500,000 drawn down from its debt agreement that was closed in 2015)) to finance exploration and evaluation programs, development of a mining property and for general corporate purposes.

While management has been successful in securing financing in the past, there can be no assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. There is no guarantee that the Corporation will be able to raise additional financing to continue the development of its activities, however management has the ability to scale back spending activity to levels of internally generated surplus cash-flow from operations.

### 3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

The condensed interim consolidated financial statements of the Company for the three-month periods ended March 31, 2017 and 2016 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation of the consolidated financial statements for the year ended December 31, 2016 except for the new standards and interpretations effective January 1, 2017. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2016 which have been prepared in accordance with IFRS.

The Audit Committee approved these condensed interim consolidated financial statements, effective May 26, 2017.

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.



# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

### 4. PROPERTY, PLANT AND EQUIPMENT

	Computers, equipment and office furniture	Exploration and evaluation equipment	Mining assets under construction	Vehicles	Total
	\$	\$		\$	\$
<b>Cost</b>					
Balance at January 1, 2016	38,777	435,508	20,755,099	27,521	21,256,905
Additions	-	-	10,254,267	-	10,254,267
Silver sales	-	-	(10,750,614)	-	(10,750,614)
Changes in asset retirement obligations	-	-	65,308	-	65,308
Foreign exchange	-	-	(1,024,936)	-	(1,024,936)
Balance at December 31, 2016	38,777	435,508	19,299,124	27,521	19,800,930
Additions	-	-	3,253,193	-	3,253,193
Silver sales	-	-	(3,599,146)	-	(3,599,146)
Foreign exchange	-	-	(710)	-	(710)
Balance at March 31, 2017	38,777	435,508	18,952,461	27,521	19,454,267
<b>Accumulated depreciation</b>					
Balance at January 1, 2016, December 31, 2016 and March 31, 2017	38,777	435,508	-	27,521	501,806
<b>Carrying amounts</b>					
At December 31, 2016	-	-	19,299,124	-	19,299,124
At March 31, 2017	-	-	18,952,461	-	18,952,461

Since the Zgounder property is in development stage, the mining assets under construction were not amortized in the periods presented.

All property, plant and equipment is located in Morocco.

The mining assets under construction include equipment under finance lease of 3,000,000 dirham (\$397,800).

Additions to mining assets under construction during the three-month period ended March 31, 2017 include an amount of \$233,558 [Year ended December 31, 2016 - \$672,979] related to capitalized interests.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

### 5. EXPLORATION AND EVALUATION ASSETS

During the three-month period ended March 31, 2017 and the year ended December 31, 2016, changes in exploration and evaluation assets were as follows:

	March 31, 2017	December 31, 2016
	\$	\$
<b>Rights on mining properties</b>		
Balance, beginning of the period	4,438,257	4,438,257
Additions	-	-
Balance, end of the period	4,438,257	4,438,257
<b>Deferred exploration and evaluation expenses</b>		
Balance, beginning of the period	269,614	113,174
Additions		
Geology and consulting	-	6,648
Administrative	8,920	149,792
Balance, end of the period	278,534	269,614
Total	4,716,791	4,707,871

All exploration and evaluation assets are located in Morocco.

#### a) Boumadine project

In February 2013, the Corporation and L'ONHYM, a Moroccan state institution, entered into an Agreement for the Boumadine polymetallic deposit (the "Convention"). Under the terms of the Convention, the Corporation acquired 85% of the Boumadine project for total cash payments of 43,000,000 dirham (\$5,155,700), comprising the following instalments:

- 6,000,000 dirham (\$719,400) paid by Global Works, Assistance and Trading S.A.R.L ("Glowat"), a related party company acting as project manager on behalf of the Corporation,
- 6,000,000 dirham (\$812,400) also paid in February 2014 by Glowat on behalf of the Corporation,
- 6,000,000 dirham (\$795,681) originally payable in February 2015 but now postponed to December 2017,
- 10,000,000 dirham (\$1,326,135) originally payable in February 2016 but now postponed to December 2018, and
- 15,000,000 dirham (\$1,989,203) which relates to past expenses incurred by the seller which are payable on demand or, at the seller's request, can be applied as a capital contribution of the future company to be created.

The transfer of the property will occur once all the following are complete:

- a separate company owned at 85% by the Corporation and 15% by ONHYM has been established in Morocco under the terms of the Convention,
- a letter of credit amounting to 2,200,000 dirham (\$291,750) has been issued by the Corporation to the benefit of ONHYM, and
- all cash payments have been completed.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

### 5. EXPLORATION AND EVALUATION ASSETS (continued)

#### b) Balance of purchase price payable related to acquisition of Boumadine property

	March 31, 2017	December 31, 2016
	\$	\$
Balance at beginning of the period	3,621,637	4,290,268
Accretion expense	66,631	238,869
Gain on extinguishment of debt	-	(709,571)
Foreign exchange	11,328	(197,929)
Balance at end of the period	3,699,596	3,621,637
Current portion	2,630,600	2,597,489
Non-current portion	1,068,996	1,024,148

### 6. LONG-TERM DEBT

	March 31, 2017	December 31, 2016
	\$	\$
Loan	7,862,618	7,923,834
Obligation under finance lease	265,227	289,188
	8,127,845	8,213,022
Current portion	98,216	96,345
Non-current portion	8,029,629	8,116,677

The instalments on debt for the forthcoming years are as follows:

	Loan	Obligation under finance lease
	\$	\$
2017	-	112,799
2018	-	112,799
2019	3,603,700	75,199
2020	3,603,700	-
2021	655,218	-
Total minimum payments	7,862,618	300,797
Amounts included in minimum payments - interest		(35,570)
		265,227

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

### 7. CONVERTIBLE DEBENTURES

	March 31, 2017	December 31, 2016
	\$	\$
Balance at beginning of the period	3,004,566	2,800,393
Accretion expense	45,434	204,173
Repayments	(445,000)	-
Balance at end of the period	2,605,000	3,004,566
Current portion	2,605,000	3,004,566
Non-current portion	-	-

During the three-month period ended March 31, 2017, all remaining convertible debentures reached maturity and as at March 31, 2017 the conversion rights associated with all of the remaining unpaid convertible debentures had expired. Accordingly, on March 31, 2017, the Corporation transferred the balance in equity component of convertible debentures in the condensed interim consolidated statement of changes in equity, amounting to \$2,013,721, to contributed surplus. All outstanding convertible debentures were redeemed during April 2017.

### 8. SHARE CAPITAL

#### Authorized

Unlimited number of common shares without par value.

#### a) Common Shares

##### Issuances during the three-month period ended March 31, 2017

In March 2017, the Corporation completed a private placement of 11,538,460 units at \$0.13 per unit for a total cash consideration of \$1,500,000. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Corporation at a price of \$0.20 until September 2018. Four directors of the Corporation purchased a total of 10,384,616 units. An amount of \$340,188 was allocated to the share purchase warrants.

The fair value of the warrants was determined based on the Black-Scholes option pricing model using an expected volatility of 76%, a risk-free interest rate of 0.87%, and expected dividend yield of 0% and an expected life of 18 months.

In connection with the private placement, financing costs consisting of cash payments totaled \$20,277.

##### Issuances during the three-month period ended March 31, 2016

In March 2016, the Corporation closed a non-brokered private placement through the issuance of 30,372,500 units of the Corporation at \$0.12 per unit, for aggregate gross proceeds of \$3,644,700. Each unit consisted of one common share of the Corporation and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share of the Corporation at any time on or before March 2018 at an exercise price of \$0.15. An amount of \$523,902 was allocated to the share purchase warrants.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

### 8. SHARE CAPITAL (continued)

The fair value of the warrants was determined based on the Black-Scholes option pricing model using an expected volatility of 68%, a risk-free interest rate of 0.56%, and expected dividend yield of 0% and an expected life of 24 months.

Three directors of the Corporation purchased 17,137,500 units for gross proceeds of \$2,056,500.

In connection with the private placement, financing costs consisting of cash payments totaled \$71,657.

#### b) Share purchase warrants

The outstanding warrants as at March 31, 2017 and December 31, 2016 and the respective changes during the three-month period and year then ended are summarized as follows:

	Three-month period ended		Year ended	
	March 31, 2017		December 31, 2016	
	Number	Weighted average exercise price (\$)	Number	Weighted average exercise price (\$)
Balance, beginning of period	73,586,598	0.24	31,314,098	0.36
Private placement	11,538,460	0.20	40,672,500	0.15
Issuance related to modifications of the terms of the loan	-	-	4,000,000	0.28
Expired	-	-	(2,400,000)	0.50
Balance, end of period	85,125,058	0.23	73,586,598	0.24

At March 31, 2017, the outstanding number of warrants exercisable into common shares is as follows:

	Number of warrants			Number of warrants		
	December 31, 2016	Issued	Expired	March 31, 2017	Exercise price	Expiry date
Private placement- September 2015	1,430,000	-	-	1,430,000	0.35	September 2018
Broker warrants – September 2015	85,800	-	-	85,800	0.35	September 2018
Issuance related to conversion of debentures	27,398,298	-	-	27,398,298	0.35	July 2018
Private placement – March 2016	30,372,500	-	-	30,372,500	0.15	March 2018
Private placement – July 2016	10,300,000	-	-	10,300,000	0.17	June 2019
Issuance related to modification of terms of the loan	4,000,000	-	-	4,000,000	0.28	November 2019
Private placement – March 2016	-	11,538,460	-	11,538,460	0.20	September 2018
	73,586,598	11,538,460	-	85,125,058		

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

### 9. SHARE PURCHASE OPTIONS

The outstanding options as at March 31, 2017 and December 31, 2016 and the respective changes during the three-month period and year then ended are summarized as follows:

	Three-month period ended		Year ended	
	March 31, 2017		December 31, 2016	
	Number	\$ <sup>(1)</sup>	Number	\$ <sup>(1)</sup>
Balance, beginning of the period	8,210,000	0.40	8,310,000	0.40
Granted	-	-	250,000	0.25
Expired	(1,485,000)	0.35	(350,000)	0.45
Balance, end of the period	6,725,000	0.41	8,210,000	0.40

(1) Weighted average exercise price

The following table reflects the share purchase options issued and outstanding at March 31, 2017:

Issue date	Number	Exercise	Remaining	Number of options
	of options	price	contractual life (years)	Options exercisable
	Number	\$	Number	Number
March 2013	3,475,000	0.35	0.75	3,475,000
July 2013	200,000	0.35	1.25	200,000
May 2014	2,700,000	0.50	2.05	2,700,000
July 2014	100,000	0.50	0.25	100,000
May 2016	250,000	0.25	1.05	250,000
	6,725,000	0.41	1.15	6,725,000

### 10. ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE LOSS COMPONENTS

The following is a breakdown of the nature of expenses included in management and administration expenses and finance expense for the three-month periods ended March 31:

#### Management and administration expenses

	2017	2016
	\$	\$
Salaries and benefits	112,752	111,930
Consulting fees	162,724	31,837
Office	80,615	37,471
Professional fees	57,541	59,045
Reporting issuer costs	5,620	4,371
	419,252	244,654

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

### 10. ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE LOSS COMPONENTS (continued)

#### Finance expense

	2017	2016
	\$	\$
Interest expense	57,400	586,825
Long-term debt and debentures fees	-	38,922
Accretion expense	114,741	454,150
	172,141	1,079,897

### 11. FINANCIAL INSTRUMENTS

The following table classifies financial assets and liabilities that are recognized on the condensed interim consolidated statement of financial position at fair value in a hierarchy that is based on significance of the inputs used in making the measurements. The levels in the hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data.

The following table provides information about financial assets and liabilities measured at fair value in the condensed interim consolidated statement of financial position and categorized by level according to the significance of the inputs in making the measurements.

	March 31, 2017			
Recurring measurements	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balances of purchase price payable	-	-	(3,699,596)	(3,699,596)
Loan	-	-	(7,862,618)	(7,862,618)
Convertible debentures	-	-	(2,605,000)	(2,605,000)
	-	-	(14,167,214)	(14,167,214)

During the three-month period ended March 31, 2017, there were no transfers between Level 1, Level 2 and Level 3 (2016 – None).

Current financial instruments that are not measured at fair value on the condensed interim consolidated statement of financial position are represented by cash, advance to related parties, restricted investment, accounts payable and accrued liabilities (except salaries and employee benefits) and interest and net profit interest payable to a related party. Their carrying values are considered to be a reasonable approximation of their fair value because of their short-term maturity and /or contractual terms of these instruments.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

---

### 11. FINANCIAL INSTRUMENTS (Continued)

The fair values of the balance of purchase price payable for the acquisition of the Boumadine property, Convertible debentures, obligation under finance lease and the loan are not materially different from their carrying values as there was no material change in the assumptions used for fair value determination at inception. Therefore, its principal amount approximates its fair value.

### 12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month period ended March 31, 2017	Three-month period ended March 31, 2016
	\$	\$
<b>Changes in working capital items</b>		
Sales taxes receivable	(167,162)	(111,386)
Inventories	256,827	782,055
Advance to related parties	75,962	4,249
Prepaid expenses and security deposits	76,262	16,762
Non-refundable deposits to suppliers	501,204	16,762
Interest and net profit interest payable to a related party	(506,605)	-
Accounts payable and accrued liabilities	(27,727)	(612,498)
	<b>208,761</b>	<b>79,182</b>
<b>Non-cash transactions</b>		
Finance expense recorded in property, plant and equipment	8,226	-
Additions of property, plant and equipment not paid	102,727	-
	<b>110,953</b>	<b>-</b>
<b>Interest paid</b>		
Interest paid, included in operating activities	(57,400)	(214,141)



# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

---

### 13. RELATED PARTY TRANSACTIONS

During the three-month period ended March 31, 2017 and 2016, the following related party transactions occurred in the normal course of operations:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to \$14,901 recorded as professional fees. (2016 - \$37,209);
- Glowat, a private company owned by a party related to an officer and director of the Corporation, charged as part of a project management agreement, management and service fees of \$nil which were capitalized to exploration and evaluation assets (2016 - \$10,044), a net profit interest expense of \$93,395 (2016 - \$11,474) and interest of \$nil (2016 - \$67,730);
- A director and former officer charged consulting fees through a company which he is owner \$128,333 (2016 – nil);
- An officer of the Corporation charged consulting fees of \$31,250 (2016 - \$31,250).

During the three-month period ended March 31, 2017, the Corporation paid \$300,000 to Glowat in settlement of amounts owing. As at March 31, 2017, the Corporation had a liability to Glowat amounting to \$127,824 (2016 - \$607,324).

In March 2017, a director of the Corporation acquired a portion of the interest and net profit interest payable owed to Glowat for an amount of \$300,000 equivalent to the net book of this portion. The Corporation repaid in full the debt in March 2017.

As at March 31, 2017, the balance due to related parties (excluding the accounts payable and accrued liabilities to Glowat which is presented separately in the condensed interim consolidated statements of financial position) amounted to \$103,374 (2016 - \$194,558). This amount is subject to the same conditions as those of non-related parties.

In March 2016, a director of the Corporation acquired a portion of the demand promissory note owed to Glowat for an amount of \$2,000,000 equivalent to the net book of this portion. The Corporation repaid in full the debt in March 2016.

### Remuneration of key management personnel of the Corporation

Key management included members of the Board of Directors and executive officers of the Corporation consisting of the Chief Executive Officer, President and Chief Financial Officer. During the three-month periods ended March 31, 2017 and 2016, the remuneration awarded to key management personnel (including the amount above) is as follows:

	2017	2016
	\$	\$
Salaries	126,853	133,995
Consulting fees	159,583	78,503
Director fees	15,042	12,000
	301,476	224,498

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2017 (in Canadian dollars) (Unaudited)

---

### 14. CONTINGENCY

On July 2014, Société d'Exploration Géologique des Métaux ("SEGM") filed a lawsuit against the wholly-owned subsidiary of the Corporation in Morocco, alleging that SEGM, beneficiary of a 2.5% net smelter return royalty on the Amizmiz property, suffered damage resulting from the Corporation not having started production at its Amizmiz property. The Corporation is of the position that it has complied with all of its obligations and has made all requested work on the property. At this stage, the results of the work programs concluded do not justify the start of production on the Amizmiz property. The Corporation contested this lawsuit, which it considered unfounded. The Corporation also has filed a counterclaim against SEGM, alleging that the acquisition of this property was made on the basis of a technical report delivered by SEGM that was misleading as to the advancement of the work programs on the property. The Corporation claims reimbursement for all expenses incurred on the Amizmiz property.

In 2015, the court required that a technical expert rule on the situation. In 2016 the court rejected the SEGM claim and asked both parties to come to an agreement. Later in 2016, SEGM lodged an appeal and the case is currently under review by the Cessation Court for a final decision.