



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

3rd quarter ended September 30, 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)

	September 30, 2016	December 31, 2015
	\$	\$
ASSETS		
Current		
Cash	5,870,630	376,327
Marketable securities	-	51,776
Sales taxes receivable	981,010	869,690
Inventories	2,002,737	1,703,736
Prepaid expenses and security deposits	402,436	346,705
	9,256,813	3,348,234
Non-current		
Restricted investment	20,000	20,000
Advance to related parties	81,922	92,881
Property, plant and equipment (Note 4)	18,069,487	20,755,099
Exploration and evaluation assets (Note 5)	4,551,431	4,551,431
TOTAL ASSETS	31,979,653	28,767,645
LIABILITIES		
Current		
Accounts payable and accrued liabilities	1,886,438	3,560,024
Interest and net profit interest payable to a related party (Note 13)	491,711	407,763
Demand promissory note due to a related party (Note 13)	-	4,316,552
Balance of purchase price payable (Note 5)	2,026,500	4,290,268
Long-term debt (Note 6)	2,352,511	925,213
Convertible debentures (Note 7)	2,938,654	45,908
	9,695,814	13,545,728
Non-current		
Balance of purchase price payable (Note 5)	1,609,346	-
Long-term debt (Note 6)	5,707,233	323,535
Asset retirement obligations	910,801	901,363
Convertible debentures (Note 7)	-	2,754,485
TOTAL LIABILITIES	17,923,194	17,525,111
EQUITY		
Share capital (Note 8)	45,238,309	41,265,911
Share purchase warrants (Note 8)	3,276,931	2,095,215
Share purchase options (Note 9)	1,724,575	1,832,830
Equity component of convertible debentures	2,013,721	2,013,721
Contributed surplus	4,415,483	4,225,842
Deficit	(42,020,051)	(39,167,625)
Accumulated other comprehensive loss	(592,509)	(1,023,360)
TOTAL EQUITY	14,056,459	11,242,534
TOTAL LIABILITIES AND EQUITY	31,979,653	28,767,645

Going concern (Note 2), event after reporting date (Note 15)

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

On behalf of the Board,

/s/ Guy Goulet
Guy Goulet, CEO and Director

/s/ Martin Wong
Martin Wong, Director

Maya Gold & Silver Inc.

Condensed Interim Consolidated Statements of Comprehensive Loss

(in Canadian dollars) (Unaudited)

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Expenses and other items				
Management and administration (Note 10)	314,409	270,965	1,135,451	955,336
Investor relations and corporate development	39,275	43,533	121,391	224,613
Loss (gain) on foreign exchange	(233,080)	(1,247,978)	822,860	(1,067,673)
Operating loss (earning) for the period	120,604	(933,480)	2,079,702	112,276
Royalties	88,483	33,129	251,119	125,091
Net profit interest to a related party (Note 13)	107,014	26,622	325,777	95,530
Change in fair value of marketable securities – subscription shares	-	(12,570)	12,723	2,338
Impairment of marketable securities - shares	-	-	-	91,362
Gain on disposal of marketable securities	-	-	(4,580)	-
Change in fair value of derivative financial instruments	-	(13,781)	-	58,085
Finance expense	214,721	362,096	766,391	1,695,022
Gain on extinguishment of debt	-	-	(709,571)	-
Effect of convertible debentures modifications	-	5,625,000	-	5,625,000
Loss before income taxes for the period	530,822	5,087,716	2,721,561	7,802,704
Deferred income taxes expense	-	338,220	-	338,220
Net loss for the period	530,822	5,425,236	2,721,561	8,140,924
Other comprehensive loss				
Items that will subsequently be reclassified to net loss:				
Foreign currency translation of foreign subsidiaries	192,405	225,706	(430,851)	233,975
Change in fair value of marketable securities	-	-	-	48,167
Impairment of marketable securities – shares – reclassification to net loss	-	-	-	(91,362)
	192,405	225,706	(430,851)	190,780
Comprehensive loss for the period	723,227	5,650,942	2,290,710	8,331,704
Basic and diluted loss per common share for the period	0.00	0.04	0.01	0.06
Weighted average number of shares - basic and diluted	198,667,877	141,074,947	182,488,512	130,568,952

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 loss	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$
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 8)	40,672,500	3,729,398	1,254,302	-	-	-	-	-	4,983,700
Share issue costs	-	-	-	-	-	-	(130,865)	-	(130,865)
Share issue as per Long-term Incentive Plan	1,800,000	243,000	-	-	-	-	-	-	243,000
Share purchase warrants and options expired	-	-	(72,586)	(117,055)	-	189,641	-	-	-
Share-based payments (Note 9)	-	-	-	8,800	-	-	-	-	8,800
	199,339,616	45,238,309	3,276,931	1,724,575	2,013,721	4,415,483	(39,298,490)	(1,023,360)	16,347,169
Net loss for the period	-	-	-	-	-	-	(2,721,561)	-	(2,721,561)
Other comprehensive loss	-	-	-	-	-	-	-	430,851	430,851
Comprehensive loss for the period	-	-	-	-	-	-	(2,721,561)	430,851	(2,290,710)
Balance as at September 30, 2016	199,339,616	45,238,309	3,276,931	1,724,575	2,013,721	4,415,483	(42,020,051)	(592,509)	14,056,459
Balance as at December 31, 2014	122,603,474	29,641,702	-	1,925,482	1,297,543	4,036,692	(30,431,465)	(27,226)	6,442,728
Issuance of units (Note 8)	6,230,000	1,423,066	177,334	-	-	-	-	-	1,600,400
Share issue costs	-	-	-	-	-	-	(66,313)	-	(66,313)
Effect of convertible debentures modifications	-	-	-	-	5,625,000	-	-	-	5,625,000
Conversion of debentures (Note 7)	26,607,143	9,898,932	1,862,500	-	(5,247,042)	-	-	-	6,514,390
Deferred income tax	-	-	-	-	338,220	-	-	-	338,220
Conversion of interest (Note 7)	1,126,499	233,211	55,381	-	-	-	-	-	288,592
Shares issued as bonus to a director and officer (Note 8)	300,000	69,000	-	-	-	-	-	-	69,000
Share purchase options expired	-	-	-	(26,550)	-	26,550	-	-	-
Share-based payments (Note 9)	-	-	-	95,898	-	-	-	-	95,898
	156,867,116	41,265,911	2,095,215	1,994,830	2,013,721	4,063,242	(30,497,778)	(27,226)	20,907,915
Net loss for the period	-	-	-	-	-	-	(8,140,924)	-	(8,140,924)
Other comprehensive loss	-	-	-	-	-	-	-	(190,780)	(190,780)
Comprehensive loss for the period	-	-	-	-	-	-	(8,140,924)	(190,780)	(8,331,704)
Balance as at September 30, 2015	156,867,116	41,265,911	2,095,215	1,994,830	2,013,721	4,063,242	(38,638,702)	(218,006)	12,576,211

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

Maya Gold & Silver Inc.

Consolidated Statements of Cash Flows

(in Canadian dollars) (Unaudited)

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2016	2015	2016	2015
Cash flows provided by (used in)	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(530,822)	(5,425,236)	(2,721,561)	(8,140,924)
Adjustments for non-cash items				
Share-based payments	-	70,332	251,800	164,898
Finance expense	113,040	111,049	322,732	605,156
Unrealized loss (gain) on foreign exchange	(148,548)	(809,101)	881,859	(659,219)
Change in fair value of marketable securities	-	(12,570)	12,723	2,338
Impairment of marketable securities	-	-	-	91,362
Gain on disposal of marketable securities	-	-	(4,580)	-
Gain on extinguishment of debt	-	-	(709,571)	-
Change in fair value of derivative financial instruments	-	(13,781)	-	58,058
Effect of convertible debentures modifications	-	5,625,000	-	5,625,000
Deferred income taxes recovery	-	338,220	-	338,220
Changes in working capital items (Note 12)	103,317	235,417	(1,035,721)	1,175,908
	(463,013)	119,320	(3,002,319)	(739,176)
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(2,559,694)	(1,768,387)	(7,132,709)	(4,927,571)
Silver sales	2,016,203	1,323,142	8,017,430	4,388,553
Proceed from sale of marketable securities	-	-	43,633	-
	(543,491)	(445,245)	928,354	(539,018)
FINANCING ACTIVITIES				
Demand promissory note to a related party	(1,058,933)	36,773	(4,095,684)	64,383
Long-term debt	1,866,774	(501,663)	6,811,117	(2,014,209)
Issuance of shares and warrants (net of issue costs)	1,346,370	351,600	4,852,835	1,534,087
	2,154,211	(113,300)	7,568,268	(415,739)
Net change in cash	1,147,707	(439,225)	5,494,303	(1,693,933)
Cash, beginning of period	4,722,923	883,880	376,327	2,138,588
Cash, end of period	5,870,630	444,655	5,870,630	444,655

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

September 30, 2016 (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.

In regards to its Zgounder property, Maya has entered, in the second quarter of 2014, into the development phase and has commenced the commissioning activities at the Zgounder mine in Morocco. The transfer of the property title occurred in the second quarter of 2014 to a new company incorporated in January 2014, Zgounder Millennium Silver Mining S.A., owned at 85% by the Corporation and 15% by L'Office National des Hydrocarbures et des Mines ("ONHYM").

In regard of its other projects, the Corporation has not yet determined whether they 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 adjustment 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 nine-month period ended September 30, 2016, the Corporation reported a net loss of \$2,721,561. As at September 30, 2016, the Corporation had an accumulated deficit of \$42,020,051 and a negative working capital of \$439,001, including cash of \$5,870,630. 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 program, pursue its mining development at Zgounder and pay for general and administration costs. 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 nine-month period of 2016, the Corporation raised \$4,983,700 from issuance of units and drew down US\$6,000,000 from its debt agreement that was closed in 2015.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016 (in Canadian dollars) (Unaudited)

2. GOING CONCERN (continued)

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. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements.

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements follow the same accounting policies as the Corporation's most recent annual financial statements which are based on IFRS. The Corporation's Audit Committee approved these condensed interim consolidated financial statements on November 23, 2016.

These condensed interim consolidated financial statements do not contain all of the information and disclosures required for annual financial statements, and should be read in conjunction with the Corporation's annual audited consolidated financial statements for the years ended December 31, 2015 and 2014.

The preparation of 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

September 30, 2016 (in Canadian dollars) (Unaudited)

4. PROPERTY, PLANT AND EQUIPMENT

	Computers, equipment and office furniture	Exploration and evaluation equipment	Mining assets under construction	Vehicles	Total
	\$	\$	\$	\$	\$
Cost					
Balance at December 31, 2014	70,480	465,131	19,158,950	78,708	19,773,269
Additions	-	-	5,074,537	-	5,074,537
Silver sales	-	-	(5,150,424)	-	(5,150,424)
Changes in asset retirement obligations	-	-	43,394	-	43,394
Impairment	(31,703)	(29,623)	-	(51,187)	(112,513)
Foreign exchange	-	-	1,628,642	-	1,628,642
Balance at December 31, 2015	38,777	435,508	20,755,099	27,521	21,256,905
Additions	-	-	6,131,700	-	6,131,700
Capitalized interest	-	-	175,033	-	175,033
Silver sales	-	-	(8,017,430)	-	(8,017,430)
Foreign exchange	-	-	(974,915)	-	(974,915)
Balance at September 30, 2016	38,777	435,508	18,069,487	27,521	18,571,293
Accumulated depreciation					
Balance at December 31, 2014	70,480	465,131	-	78,708	614,319
Impairment	(31,703)	(29,623)	-	(51,187)	(112,513)
Balance at December 31, 2015	38,777	435,508	-	27,521	501,806
Foreign exchange	-	-	-	-	-
Balance at September 30, 2016	38,777	435,508	-	27,521	501,806
Carrying amounts					
At December 31, 2015	-	-	20,755,099	-	20,755,099
At September 30, 2016	-	-	18,069,487	-	18,069,487

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

All properties, plant and equipment are located in Morocco.

The mining assets under construction include equipment under finance lease of \$403,800 (3,000,000 dirham).

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016 (in Canadian dollars) (Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

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 \$5,155,700 (43,000,000 dirham), including an initial amount of \$719,400 (6,000,000 dirham) paid by Global Works, Assistance and Trading S.A.R.L ("Glowat"), a related party company acting as project manager (Note 13), on behalf of the Corporation two months after the initial due date, an amount of \$812,400 (6,000,000 dirham) paid in February 2014 by Glowat on behalf of the Corporation, \$810,600 (6,000,000 dirham) originally payable in February 2015, a final payment of \$1,351,000 (10,000,000 dirham) payable in February 2016 and an amount of \$2,026,500 (15,000,000 dirham) that relates to past expenses incurred by the seller for which the seller can either demand reimbursement of this amount or apply it as a capital contribution of the future company to be created. The transfer of the property will occur once 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 \$297,220 (2,200,000 dirham) has been subscribed by the Corporation to the benefit of ONHYM and all cash payments have been completed. In February 2016, ONHYM and the Corporation agreed to postpone the third payment until the end of 2017 and the fourth payment until the end of 2018.

6. LONG-TERM DEBT

a) Loan

In March 2016, the Corporation partially completed the remaining condition for the disbursement of the loan with the closing of an equity financing. The Corporation and European Bank for Reconstruction and Development ("EBRD") reached an agreement to draw down an initial tranche of \$5,902,650 (US\$4,500,000) of the loan agreement of \$7,870,200 (US\$6,000,000) that was closed in 2015.

In July, 2016, EBRD and the Corporation reached an agreement to draw down the final tranche of \$1,967,550 (US\$1,500,000) of the loan agreement of \$7,870,200 (US\$6,000,000).

The Corporation engaged fees amounting to \$131,319.

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

	Credit facility	Loan	Obligation under finance lease
	\$	\$	\$
2016	-	-	19,152
2017	-	2,257,174	114,914
2018	-	3,869,440	114,914
2019	-	1,612,267	114,914
Total minimum payments	-	7,738,881	363,894
Amounts included in minimum payments - interest			(43,031)
			320,863

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

September 30, 2016 (in Canadian dollars) (Unaudited)

6. LONG-TERM DEBT (continued)

b) Credit facility

In January 2016 the Corporation and the lender agreed to delay the remaining balance in six equal payments until July 2016. As at September 30, 2016, the loan is fully paid.

7. CONVERTIBLE DEBENTURES

	Total
	\$
Balance at December 31, 2014	8,843,767
Accretion expense	471,016
Conversion	(6,514,390)
Balance at December 31, 2015	2,800,393
Accretion expense	138,261
Balance at September 30, 2016	2,938,654

8. SHARE CAPITAL AND WARRANTS

Authorized

Unlimited number of common shares without par value.

Issuance of securities

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 consists 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.

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

In May 2016, The Corporation issued in total 1,800,000 common shares, 900,000 common shares to each of the Chief Executive Officer and President, under the share-based awards determined pursuant to the Long-Term incentive plan. The market price of the common shares on May 24, 2016 was \$0.135. The Corporation was not able to reliably determine the fair value of services received and therefore the fair value of the shares was evaluated based on the market price at the date of grant.

In July 2016, the Corporation close a non-brokered private placement through the issuance of 10,300,000 units of the Corporation at \$0.13 per unit, for aggregate gross proceeds of \$1,339,000. Each unit consists 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 June 2018 at an exercise price of \$0.17.

In connection with the private placement, financing costs consisting of cash payments totaled \$130,865.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

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8. SHARE CAPITAL AND WARRANTS (continued)

Share purchase warrants

		Nine-month ended September 30, 2016
	Number	Weighted average exercise price (\$)
Balance, beginning of period	31,314,098	0.36
Private placements	40,672,500	0.16
Expired	(2,400,000)	0.50
Balance, end of period	69,586,596	0.24

At September 30, 2016, the outstanding number of warrants exercisable into common shares is as follows:

	Number of warrants December 31, 2015	Issued	Expired	Number of warrants September 30, 2016	Exercise price	Expiry date
Private placement- September 2015	2,400,000	-	2,400,000	-	0.50	Sept 2016
Private placement- September 2015	1,430,000	-	-	1,430,000	0.50	Sept 2018
Broker w arrants – September 2015	85,800	-	-	85,800	0.50	Sept 2018
Issuance related to conversion of debentures	27,398,296	-	-	27,398,296	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 2018
	31,314,096	40,672,500	2,400,000	69,586,596		

9. SHARE PURCHASE OPTIONS

The following table sets out the activity in share purchase options:

		Nine-month ended September 30, 2016
	Number	Weighted average exercise price (\$)
Balance, beginning of period	8,310,000	0.40
Granted	250,000	0.25
Expired	(700,000)	0.42
Balance, end of period	7,860,000	0.40

Maya Gold & Silver Inc.
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9. SHARE PURCHASE OPTIONS (continued)

The following table reflects the share purchase options issued and outstanding at September 30, 2016:

Issue date	Number of options	Exercise price	Remaining contractual life (years)	Number of options exercisable
	Number	\$	Number	Number
March 2012	1,435,000	0.35	0.6	1,435,000
March 2013	3,275,000	0.35	1.2	3,275,000
July 2013	200,000	0.35	1.7	200,000
May 2014	2,600,000	0.50	2.5	2,600,000
July 2014	100,000	0.50	0.7	100,000
April 2016	250,000	0.25	1.5	250,000
	7,860,000	0.40	1.5	7,860,000
Weighted average exercise price (\$)				0.40

10. MANAGEMENT AND ADMINISTRATION EXPENSES

	Nine-month period ended September			
	Three-month period ended September 30,		30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Salaries and benefits	198,196	117,002	456,101	341,597
Consulting fees	39,958	31,952	117,769	97,452
Share-based payments	-	70,322	251,800	164,898
Office	44,787	14,452	125,058	164,766
Professional fees	7,076	31,497	125,429	153,232
Reporting issuer costs	24,392	5,740	59,294	33,391
	314,409	270,965	1,135,451	955,336

11. FAIR VALUE OF FINANCIAL INSTRUMENT

The following table classifies financial assets and liabilities that are recognized on the 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.

Maya Gold & Silver Inc.
Notes to Condensed Interim Consolidated Financial Statements
September 30, 2016 (in Canadian dollars) (Unaudited)

11. FAIR VALUE OF FINANCIAL INSTRUMENT (continued)

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

Recurring measurements	September 30, 2016			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balance of purchase price payable	-	-	(3,635,846)	(3,635,846)
Convertible debentures	-	-	(2,938,654)	(2,938,654)
	-	-	(6,574,500)	(6,574,500)

During the nine months ended September 30, 2016, there were no transfers between Level 1, Level 2 and Level 3.

Current financial instruments that are not measured at fair value on the 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 demand promissory note due 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.

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

The fair value of the credit facility is not materially different from the carrying value since its maturing within one year. Its principal amount approximates its fair value.

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Changes in working capital items				
Sales taxes receivable	11,182	(150,741)	(176,421)	(331,474)
Inventories	(624,927)	(126,553)	(251,193)	(525)
Prepaid expenses and security deposits	(40,929)	52,343	(27,080)	48,234
Advances to related parties	6,561	(256)	10,959	82,607
Accounts payable and accrued liabilities	(751,430)	460,624	(591,986)	1,527,066
Provision for environmental remediation	-	-	-	(150,000)
	103,317	235,417	(1,035,721)	1,175,908

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12. SUPPLEMENTAL CASH FLOW INFORMATION (continued)

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Non-cash transactions				
Additions of property, plant and equipment paid	(1,001,009)	-	(1,001,009)	-
Common shares issued pursuant to the long-term incentive plan	-	69,000	243,000	69,000
Asset retirement obligations included in property plant and equipment	-	173,040	-	173,040
Interest paid				
Interest paid, included in operating activities	110,843	251,045	443,659	1,089,866
Interest paid, included in investing activities	17,063	-	175,033	-

13. RELATED PARTY TRANSACTIONS

In the normal course of operations, for the nine-month period ended September 30, 2016 and 2015:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to \$91,053 recorded as professional fees and issuance costs of shares (\$90,463 recorded as professional fees and issuance costs of debentures and credit facility in 2015);
- Glowat, a Moroccan private company owned by a party related to an officer who is also director of the Corporation, charged as part of a project management agreement, management and service fees of \$19,512 which were capitalized to exploration and evaluation assets (\$136,974 in 2015), a net profit interest of \$325,777 (\$93,530 in 2015) and an interest of \$162,010 (\$251,389 in 2015);
- An officer of the Corporation charged consulting fees of \$93,750 (\$93,750 in 2015).

During the nine-month period ended September 30, 2016, the Corporation paid \$4,860,433 to Glowat as repayment of the loan. As at September 30, 2016, the Corporation has a liability to Glowat and its creditors amounting to \$491,711 (3,639,608 dirham), (\$4,724,315 as at December 31, 2015). The amount paid by Glowat in the third quarter of 2016 for the benefits of the Corporation amounted to nil (\$53,765 in 2015) related to acquisition of property, plant and equipment.

As at September 30, 2016, the balance due to the related parties (excluding the accounts payable and accrued liabilities to Glowat and its creditors which are presented separately in the consolidated statement of financial position) amounted to \$48,755 (\$207,650 at December 31, 2015). 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 entirely the debt to this director in March 2016.

In April 2016, the Corporation paid an amount of \$1,291,700 (US\$1,000,000) to Glowat as a partial repayment of the demand promissory note.

In July 2016, the Corporation paid an amount of \$1,311,283 (US\$1,000,000) to Glowat as a partial repayment of the demand promissory note.

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13. RELATED PARTY TRANSACTIONS (continued)

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. The remuneration awarded to key management personnel is as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Salaries and benefits and bonuses	215,165	135,435	487,925	400,095
Management consulting and professional fees	39,234	120,250	204,315	321,187
Directors fees	7,527	12,393	49,612	36,393
Share-based payments	-	70,123	251,800	152,970
	261,926	338,201	993,652	910,645

14. COMPARATIVES FIGURES

Certain comparative figures have been reclassified in accordance with the current period's presentation.

15. EVENT AFTER THE REPORTING DATE

In November 2016, the Corporation and EBRD agreed to delay the capital payments of the loan of 18 months. The new scheduled of capital payments is as follow:

March 31, 2019	US\$1,750,000
September 30, 2019	US\$1,000,000
March 31, 2020	US\$2,000,000
September 30, 2020	US\$750,000
March 31, 2021	US\$500,000

A restructuring fee of US\$15,000 will be payable to EBRD.

Furthermore 4,000,000 share purchase warrants will be issued to EBRD as restructuring cost upon acceptance by the regulatory authorities. Each warrant entitles its holder to purchase one additional common share of the Corporation at anytime on or before November 2019 at an exercise price of \$0.28. The Corporation may accelerate the expiry time of the Warrants if, at any time, the weighted average trading price of the common shares of the Corporation listed on the Exchange is equal to or above \$0.60 per share for a period of 20 consecutive trading days.