



**Maya Gold & Silver Inc.**

**Management's Discussion and Analysis**

**Year ended December 31, 2014**



**MAYA GOLD AND SILVER INC  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL  
CONDITION AND RESULTS OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2014**

This Management's Discussion and Analysis and analysis ("MD&A") of the operations, results, and financial position of Maya Gold & Silver Inc ("Maya") and its subsidiaries (together the "Corporation"), dated April 28, 2015, covers the years ended December 31, 2014 and 2013 and should be read in conjunction with the Corporation's audited consolidated financial statements and related notes for the years ended December 31, 2014 and 2013 (the "December 31, 2014 and 2013 consolidated financial statements").

The Corporation's December 31, 2014 consolidated financial statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies applied in the consolidated financial statements are based on IFRS effective for the year ended December 31, 2014, as issued and outstanding as of April 28, 2015, the date when the Board of Directors approved the consolidated statements.

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of Maya. Compagnie Minière Maya-Maroc S.A.R.L and Zgounder Millenium Silver Mining S.A. have the Moroccan dirham as functional currency.

The Corporation's management is responsible for the preparation of the consolidated financial statements as well as other information contained in this report.

The Board of Directors has the responsibility to ensure that management assumes its responsibilities with regards to the preparation of the Corporation's consolidated financial statements. To assist management, the Board of Directors has created an Audit Committee. The Audit Committee meets with members of the management team to discuss the operating results and the financial situation of the Corporation. It then makes its recommendations and submits the consolidated financial statements to the Board of Directors for their examination and approval. Following the recommendation of the Audit Committee, the Board of Directors have approved the audited consolidated financial statements on April 28, 2015.

This MD&A contains forward-looking information that is based on the Corporation's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only as of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "Cautionary Statement Regarding Forward-Looking Information". Actual outcomes and results may differ materially from those expressed in forward-looking information and readers should not place undue reliance on such statements.



### **Production Cautionary statements**

The Corporation wishes to make clear that it is not basing its production decision on a feasibility study of mineral reserves demonstrating the potential viability of mineral resources or a feasibility study of mineral reserves demonstrating economic and technical viability, and as a result there is increased uncertainty and multiple technical and economic risks of failure which are associated with this production decision. These risks, among others, include areas that are analyzed in more detail in feasibility study, such as applying economic analysis to resources or reserves and more detailed metallurgy.

### **DESCRIPTION OF BUSINESS**

Maya is an exploration and development company whose focus is the acquisition, exploration and evaluation of mineral properties located in Morocco, and is currently initiating mining and milling operations at its flagship project the Zgounder property. Maya owns 85% of shares of Zgounder Millenium Silver Mining S.A., which owns the Zgounder property, as well as 85% of the Boumadine property. Maya also owns 100% of the Amizmiz property, the Azegour property, the Mining permit No 233263 and the Touchkal property. All of these properties are located in Morocco. The Corporation also owns the La Campaña property in Mexico.

The Amizmiz, Azegour and La Campaña properties and the Mining permit No 233263 were written down to a nil value given that no substantive expenditures on further exploration and evaluation of mineral resources in a specific area is budgeted on a short-term horizon. Therefore, recoverable amount for these properties was deemed nil as at December 31, 2014.

Maya was incorporated under the Canada Business Corporations Act, its financial year-end is December 31 and it trades on the TSX Venture Exchange ("TSXV") under the symbol MYA. Maya's issued and outstanding share capital totals 127,403,474 common shares at April 28, 2015. To date, the Corporation has not earned significant revenues and is considered to be in the development stage for its Zgounder property and in exploration and evaluation stage for all other properties.

### **HIGHLIGHTS, OUTLOOK AND SELECTED FINANCIAL INFORMATION**

#### **Corporation's 2014 Highlights**

- Closed a convertible debenture financing for a gross amount of \$8,300,000;
- Concluded a US\$6M credit facility agreement with a conversion option and drew down an initial amount of US\$3.5M;



### Zgounder Silver Mine 2014 Highlights

- Commencement of commissioning activities and processing plant;
- Zgounder achieved a production of 108,570 ounces between August and December 2014;
- Environmental Impact Study ("EIS") approved in August 2014 — the Zgounder Millenium Silver Mining S.A. ("ZMSM") received the Environmental Certificate for the Zgounder Mine and all required permits;
- Under National Instrument 43-101 Standards of Disclosure for Mineral Projects, Maya has filed on SEDAR:
  - Initial compliant silver resources estimate in January 2014
  - Preliminary Economic Assessment (PEA) in March 20, 2014
  - Pre-feasibility study in May 16, 2014

### CORPORATE OBJECTIVES FOR 2015

The summary of corporate objectives and strategies are as follows:

At the Zgounder Silver Mine the Corporation intends to:

- Ramp-up production while optimizing operations;
- Accelerate underground development;
- Expand resources and reserves through underground and surface diamond drilling programs. Major part of this will be made with the financing closed in March 2015;
- Sustain minimum exploration works on other properties;
- Initiate work to complete NI 43-101 property of merit study and evaluation on the Boumadine polymetallic property; initiate compilation work on Boumadine polymetallic property, advance the NI43-101 PEA and pursue metallurgical tests on ore and tailings.

### GOING CONCERN

The 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. The 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.



## Management's Discussion and Analysis

Year ended December 31, 2014

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For the year ended December 31, 2014, the Corporation reported a net loss of \$14,856,325 (\$3,489,417 in 2013) and a comprehensive loss of \$14,907,111 (\$3,272,188 in 2013) and has an accumulated deficit of \$30,431,465 at December 31, 2014 (\$15,492,933 as at December 31, 2013). As at December 31, 2014, the Corporation had a negative working capital of \$7,266,275 (\$8,726,015 at December 31, 2013), including cash of \$2,138,588 (\$157,410 as at December 31, 2013). Management estimates that these funds will not be sufficient to meet the Corporation's obligations and budgeted expenditures through December 31, 2015 without refinancing debt, or further equity issues. 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 operations at Zgounder and pay for general and administration costs. During the year ended December 31, 2014, the Corporation drew down US\$3,500,000 of its US\$6,000,000 credit facility, raised \$8,300,000 from unsecured convertible debentures and \$2,149,150 of share purchase warrants and options were exercised (\$2,194,670 in 2013, from convertible debentures and exercise of warrants) 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. 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 the consolidated financial statements.

### EXPLORATION AND EVALUATION ACTIVITIES

#### *Zgounder project*

In January 2012, the Corporation and l'Office National des Hydrocarbures et des Mines ("ONHYM") a Moroccan state institution, entered into an Assignment Agreement for the Zgounder Silver project. Under the terms of the Assignment Agreement, the Corporation acquired 85% of the Zgounder Silver project for total cash payments of \$5,647,250 (48,000,000 dirham) at the date of transaction, including an amount of \$2,382,450 (20,000,000 dirham) paid in February 2012, an amount of \$1,710,124 (14,000,000 dirham) paid in February 2013 and a final amount of \$1,944,444 (14,000,000 dirham) paid in May 2014. The transfer of the property title by ONHYM occurred in the second quarter of 2014 to Zgounder Millenium Silver Mining S.A., a company owned at 85% by the Corporation and 15% by ONHYM.

Under the terms of the Assignment Agreement, the Corporation also agreed to make an additional cash payment (the "Additional Payment") to ONHYM, no later than the latter of 6 months following the completion of a feasibility study and the decision to bring the project into production, or 24 months following the transfer of the property to the Corporation which occurred in June 2014. The Additional Payment will total \$1.5 million if the established mineral reserves are at least 10 million ounces of silver, \$3.0 million if the established mineral reserves exceed 20 million ounces of silver and \$4.0 million if the established mineral reserves exceed 30 million ounces of silver. The Corporation has also agreed to undertake a \$5.0 million exploration program to be spent within 24 months of the transfer of the property and to spend an amount of \$9.5 million in rehabilitation and development expenditures within 18 months of the approval of the Act of the transfer of the property. Under the terms of the Assignment Agreement, ONHYM is allowed to receive a 3% royalty on sales from the Zgounder project.



The acquisition of Zgounder property in 2012 did not meet the definition of a business as the property did not have ore reserves and the processing infrastructure is non-functional and incomplete. Consequently, the property has been recorded as an acquisition of assets.

In the event where delay in production would be greater than 18 months after the approval of the Act of the transfer of the property, the Corporation undertakes to pay to the seller a cancellation annual royalty of 100,000 dirham until production actually begins. For the purposes of the agreement, the Corporation commenced production during 2014.

The total purchase price of \$5,647,250 was allocated to the assets acquired and the liabilities assumed based on the fair value of the total consideration at the closing date of the transaction. All property, plant and equipment acquired and provision of environmental remediation assumed were recorded at fair value and the residual amount as compared to the consideration paid was allocated to the mining property.

#### Geology and Mineralization

The Zgounder silver deposit is located in the central Anti-Atlas on the NW flank of the Siroua massif. The Zgounder deposit is Late Neoproterozoic in age and is mainly composed of a volcano sedimentary formation attributed to the Precambrian II (PII). The formation is intruded to the West by the Askaoun granodioritic massif (later Precambrian II-III). The geology of Zgounder is divided into three formations (Demange, 1997), two with a major clastic component intercalated with volcanics (identified as the 'blue' and 'brown' formations) overlain by an acid ignimbritic volcanic complex (the 'black formation').

The Zgounder deposit is described as a Neoproterozoic epithermal hypogene system and shares common characteristics (e.g. Age, Ag-Hg mineralization and epithermal-type model) with the giant Imiter silver deposit. The silver mineralization occurs at the top of the Brown Formation (sandstones), mainly at the contact and within a dolerite sill. The economic silver concentrations at Zgounder are found mainly as vertical columns, complex clusters, shear zones, veinlets and at the intersection of the E-W and N-S fractures located preferentially at the contact zone between schist and dolerite.

#### ***Zgounder Mineral Resource Estimates***

On February 19, 2014, the Corporation filed the initial NI 43-101 compliant silver mineral resource estimate for the Zgounder Silver Mine. These resources are based on historical information and new analytical data sampled from the underground percussion drilling completed for validation and certification in 2013.



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Details on the data and parameters of the resources estimates are summarized below and full details are available in the report titled "NI 43-101 Technical Report Preliminary Economic Assessment, Zgounder Silver Deposit, Kingdom of Morocco" dated March 19th with an effective date of January 10th, 2014.

Zgounder silver deposit Base Case (is >125 g/t) Resource Estimate (Blocks + panels).

	Measured			Indicated			Inferred			M+I		
	Tonnes	Ag g/t	Ounces									
<b>Total</b>	<b>142,100</b>	<b>304</b>	<b>1,391,000</b>	<b>397,000</b>	<b>357</b>	<b>4,560,000</b>	<b>352,800</b>	<b>463</b>	<b>5,254,000</b>	<b>538,700</b>	<b>343</b>	<b>5,948,000</b>

*Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.*

\*Note: rounded numbers, base case mineralized body (ore body) is >125 g/t

Most of the resources consist of block models, no panels have contributed to the measured resources. Grades are consistent with data on historical production numbers.

An overall mining dilution of 10% at a grade of 50g/t Ag was estimated, returning a mill feed grade of 360g/t Ag, similar to the historical mill feed grade of 330g/t Ag.

GoldMinds Geoservices Inc. recognizes in addition to the above-mentioned Measured, Indicated and Inferred Resources that there are areas within recognized structures and depth extensions which will require additional drilling. These recognized structure and depth extensions can offer additional mineral potential between 1.5 to 2.0 million tonnes grading 300 to 400 g/t Ag. The potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a mineral resource, and it is uncertain if further exploration will result in discovery of a mineral resource.

**Zgounder Pre-Feasibility Study**

On May 22, 2014 – the Corporation issued its first Mineral reserves for its Zgounder Silver Mine in Morocco and has filed on SEDAR the Pre-Feasibility Study ("PFS"). The results from the PFS demonstrate the economic viability of the Zgounder Mine based on the mineral reserves derived from resources that were outlined by GoldMinds Geoservices Inc. The PFS highlighted that a significant amount of inferred resources are present which have the potential to be converted to reserves with additional drilling, and there remains an excellent exploration potential to further expand the size of the existing mineral inventory. The PFS also provided a more conservative estimate of profitability than the Preliminary Economic Assessment due to the exclusion of the inferred resources; conversely, thereby the PFS provides estimates that have a lower geological risk, which is key element for financing purposes.

Highlights of the Zgounder Silver Mine PFS Study include:

- An anticipated mine life of 6 years with the current reserves with Internal rate of return of 128 per cent;
- Net present value of USD27.9 million (discounted at 6.5 per cent) at silver price of USD20.50 per ounce;
- First year silver production of 582,600 ounces, followed by two years at 885,400 ounces, and the final three years at 914,000 ounces per year;
- Mill feed grade estimated at 317 g/t Ag;
- Total operating cost of USD109.50 per tonne (averaged over the expected mine's life);
- Additional capex requirements total USD3.8 million, which include the proposed concentrator expansion;
- The Zgounder PFS was prepared as a strictly underground mine based solely on the measured and indicated mineral resources reported on February 19, 2014.

\*The reader should note that the economic evaluation have been estimated on an "after-tax" basis.

Mineral Reserve Estimate as at March 21<sup>st</sup>, 2014

Proven			Probable			Proven + Probable		
Tonnes	Ag g/t	Ounces	Tonnes	Ag g/t	Ounces	Tonnes	Ag g/t	Ounces
152,000	281	1,371,000	421,000	330	4,474,000	573,000	317.3	5,845,000

Notes:

The reserves have been estimated in accordance with the definitions and guidelines adopted from the Canadian Institute of Mining, Metallurgy and Petroleum (CIM Standards on Mineral Resources and Reserves). The reserves are based entirely on measured and indicated resources and were converted as probable and proven respectively. Since the material is from underground mining operations, the cut-off grade includes the costs of production, processing and the general & administration (G&A).

Parameters of cut-off grade estimation (the exchange rate has been set at 7.63 MAD = \$1.00, as of December 29, 2013.)

Parameters	Unit	Data
Mining	USD/t	32.79
Mining dilution	%	10.00
Development	USD/t	10.79
Processing	USD/t	45.89
G&A	USD/t	8.54
Metal price	USD/oz	20.50
Metal price	USD/g	0.66
Process recovery	%	0.90
<b>Cut-off grade</b>	<b>g/t</b>	<b>166</b>



Details of the mineral resource estimate and the previously completed Preliminary Economic Assessment (PEA) can be found in the Company's new release dated March 5<sup>th</sup>, 2014 which has been filed and is available for viewing and download on [www.sedar.com](http://www.sedar.com) or on Maya's website. It is clear that the results of the PEA are significantly better than those presented herein due to the exclusion of the inferred resources. Maya anticipates that further drilling of the deposit could convert a significant portion of the inferred tonnage and potential structures into mineral resources of better categories and translate into additional years of production and revenue.

Additional to the mineral resource and reserves described herein and within previous press releases, a Mineral Potential between 1.5 to 2.0 million tonnes grading 300 to 400 g/t Ag has also been estimated. The "Mineral Potential" is the tonnage which could be contained between elevations 1975 and 1750 (225m vertical panel) along the existing mine openings. This represents the historical amount processed by the previous operator plus the current NI 43-101 mineral resource disclosure between the surface and level 1925. It does not consider the eastern extension (276400E) where surface medieval workings extent for another 200 meters eastward with no drilling beneath. The potential quantity and grade reported as "Mineral Potential", is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the target being delineated as a mineral resource.

The report, titled "NI 43-101 Technical Report, Pre-Feasibility Study of the Zgounder Silver Deposit, Kingdom of Morocco" is dated May 16, 2014 with an effective date of March 21, 2014. It was prepared in conformity with NI 43-101 by Claude Duplessis, Eng. of Goldminds Geoservices Inc. and Gaston Gagnon, Eng. and Gilbert Rousseau, Eng. of SGS Canada Inc.; each is an "Independent Qualified Person" under NI 43-101.

### **Zgounder Operations Beginning**

On July 22<sup>th</sup>, 2014, the Corporation announced the beginning of the milling operations at the Zgounder Silver Mine in Morocco. The start-up was a significant milestone in the successful development of Zgounder.

The Zgounder Silver Mine was officially opened on September 20<sup>th</sup>, 2014 with the presence of a large delegation from the Ministry of Energy, Mining, Water and Environment of Morocco ("Moroccan Mining Authorities"), led by the Minister Mr. Abdelkader Amara, the Governor of Taroudant, Mr. Fouad M'Hamdi and several members of the board of Maya.

### **2014 Highlights**

- July commencement of start-up activities at the Zgounder;
- First silver pour on August 28<sup>th</sup> 2014
- 3,746 kg of silver ingots produced from a total 20,665(\*) tonnes at an average of 278(\*) g/t Ag between August and December 2014, part of the ramp-up activities;
- Processing rates tonnes per day ranging from 50 to 188
- 3,410 kg ingots were shipped to refiner in Switzerland for 3,331 kg fine silver 99.9% (107,102 ounces were sold)



**Commissioning Phase**

For the 4 months, between August and December, a total 20,665 tons of wet mineralized material (19,465 tons on a dry basis) were processed with an overall average grade of 278 g/t Ag for 5,433 kg metal feed recalculated head grade from metallurgical balance at the mill. The Zgounder Mine silver production is delivered to a refiner in Switzerland. A total of 3,746 kg ingots (108,570 ounces) of silver have been delivered.

Since the beginning of the start-up, the mill processed a total of 20,665<sup>(1)</sup> tonnes from a combination of mineralized material (mucking broken ore left in the stopes at level 2015 and 2035 by previous operator, blasting at level 2000 Corps D and from "ancient stockpile").

	Q3 2014 ended September 31	Q4 2014 <sup>(1) (2)</sup> ended December 31	<b>Total</b>
Tonnage (t)	8,393	11,588	<b>20,541</b>
Average Grade (g/T)	214	357	<b>313</b>
Production (kg/Ag)	1,244	2,502	<b>3,746</b>
Ounces produced (Ag)	39,996	80,441	<b>120,437</b>

The mill recovery ranges between 57% and 84%.

<sup>(1)</sup> Note: approximation as uncertainty attached to November balance mechanical problems for tonnage and grade metal balance.

<sup>(2)</sup> 14 days of operation during December. Outputs were negatively affected by unusual intensive rainfall.

**Underground development**

New underground mining equipment has been received in August including three scoops and two dumpers.

Drifts in the main level 2000, have been extended from a 6 m<sup>2</sup> section to 9 m<sup>2</sup> to allow better underground mining equipment circulation (scoops and dumpers). Drifts were resized to the north and center zone to access ore zones. Extraction of hard rock is taking the pace from Corps D, North Center St1 & St2 at the 2000 level as well as Stope 33 of the Corps D on level 2025. Definition drilling of bodies and preparatory works are proceeding.

**2015 Production**

The Corporation is taking active measures to increase its mill recovery in the next months. Maya has the intention to send professional QPs on-site during the second quarter of 2015 to carry out the Resources, Mine and Mill independent audit.



### **2015 Exploration Program**

The Corporation has announced a \$1.2 million exploration program for 2015 to drill over a minimum of 4,300 meters on Zgounder. The objective of the surface drilling program is:

- Validate widespread mineralization hypothesis across known deposit
- Explore lateral extension of the deposit to the north and the east
- Explore extension at depth of the deposit

### **Zgounder Project Development**

At the beginning of the mill operation, the feed rate was expected to be 187 tonnes per day, the feed grade approximately 317 g/t Ag, and the silver recovery will be at least in the same range as it was when the mill was in operation in the 80's, +/- 85%. It was originally anticipated to increase to 300 tpd by changing ball mills sequentially for larger autonomous unit.

In parallel with the increase of the feed rate, the mill upgrade scenario includes the addition of four larger leach tanks to the existing eight tanks. The new leaching time should be in order of 48 hours compared to the actual 33 hours.

Recently, trials were conducted to increase mill performance and efficiency in the face of higher grade tailing. The Corporation is also exploring additional grinding capabilities and modified process flow sheet with the introduction of flotation prior to cyanidation. Tests performed in March with different various flotation chemicals and the latest tests achieved an encouraging flotation recovery of 86.78%. Tests are ongoing to evaluate the complete recovery with the cyanidation of concentrates as well as capex and operating costs reducing cyanidation consumption by treating only the flotation concentrate. Additional results will be provided as tests results become available.

In order to finance the mill upgrade of Zgounder, the Corporation will have to issue additional equity and borrow funds from third parties. There can be no assurance that sufficient funding will be available to the Company and/or available on terms that will not adversely affect the projected economic return of the development of the Zgounder project.

### **Boumadine project**

In February 2013, the Corporation and ONHYM, 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, on behalf of the Corporation two months after initial due date, an amount of \$812,400 (6,000,000 dirham) paid in February 2014 by Glowat on behalf of the Corporation, \$767,400 (6,000,000 dirham) payable in February 2015, a final payment of \$1,279,000 (10,000,000 dirham) payable in February 2016 and an amount of \$1,918,500 (15,000,000 dirham) that relates to past expenses incurred by the vendor for which the vendor 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



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established in Morocco under the terms of the Convention, a letter of credit amounting to \$281,380 (2,200,000 dirham) has been subscribed by the Corporation to the benefit of OHNYM and all cash payments have been completed.

ONHYM will receive a 3% royalty on sales from the Boumadine project. In the event where delay in production would be greater than 60 months from the date of approval of the Convention, the Corporation undertakes to pay to the seller a cancellation annual royalty of 100,000 dirham (\$12,790) until production actually begins.

The Corporation has also agreed to undertake a work program beginning three months after the transfer of the property. For the development of the Boumadine property, the Corporation agreed to realize the following actions correspondingly:

- (i) Certification of reserves (18 months);
- (ii) Testing recovery (6 months);
- (iii) Mining development (48 months); and
- (iv) Research and exploration (60 months).

The period of execution of the proposed work is 60 months for all of the actions mentioned above.

The realization of all work and installations needed for the exploitation of the deposit are the responsibility of the new company to be created to be 85% owned by the Corporation and 15% owned by ONHYM.

The acquisition of Boumadine property in 2013 does not meet the definition of a business as the property does not have ore reserves nor does it have a processing infrastructure. Consequently, the transaction has been recorded as an acquisition of asset.

The balance of purchase price due does not bear interest. The purchase price of \$5,155,700, excluding initial cash payment of \$719,400, was discounted to \$4,438,257 with an interest rate of 15%. The amount was allocated to the assets acquired based on the fair value of the total consideration at the closing date of the transaction.

The Boumadine polymetallic (gold, silver, zinc, lead (Au, Ag Zn, Pb)) property covers a 16 square-kilometres area within the highly prospective Ougnat Proterozoic window, found through the Moroccan Anti-Atlas. The property host the Boumadine mine which has an Historical Production of 261,485 t @3.8% Zn, 1.5 % Pb, 200 g/t Ag and 3.50 g/t Au (1989 to 1992) and surface tailings hold ~240,000t of recoverable material assaying 21.50% S, 192 g/t Ag (1.6 M oz.), 3.15 g/t Au (19,000 oz.), 0.20% Pb and 0.62 % Zn. The polymetallic mineralization at Boumadine extends at least for 2.2 km on the surface. The mineralized zones consist of 1 to 5 m-wide N-S oriented lenses/veins dipping sharply to depths of 350 m and spatially associated with the Rhyolite domes. The Boumadine deposit is interpreted as epithermal silver-gold base metal deposit, with the potential of discovering a copper-gold porphyry deposits at depth.

Maya started exploring the Boumadine claims upon its acquisition in the first quarter of 2013, initiated the compilation work and identifying numerous surface geochemical anomalies for both precious and base metal. The second quarter of 2013 the program was defined to outline mineralized zones at surface in the surrounding of the known resource.



A total of 75 surface grab samples were taken from various outcrop and geological mapping continues to refine and define pre-economic assesment.

On November 6, 2013, Maya filed a NI 43-101 Technical Report to support historical mineral resources estimated set in 1998 at 3,838,970 t @ 0.86 % Pb, 3.9 % Zn, 203 g/t Ag (25.1 M ounces) and 3.60 g/t Au (444,330 ounces) at the Boumadine deposit. The report entitled: "The Boumadine Polymetallic (Au, Ag, Zn, Pb, Cu) Deposit Errachidia Province, Kingdom of Morocco, October 20, 2013" was prepared by Michel Boily, PhD., P.Ge from Geon Ltd., independent Qualified Person under NI43-101 standards. The complete report can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and Maya's website at [www.mayagoldsilver.com](http://www.mayagoldsilver.com)

The Corporation believes that Boumadine bears significant potential of discovering a new precious metal rich zone at depth. An initial exploration budget of \$1 million is planned on the property to conduct metallurgical tests, compilation works and a preliminary economic assessment when appropriate financing will be raised.

#### ***Mining permit no 233263***

On March 2, 2011 the Corporation acquired control of a 100% interest in Mining permit no 233263 by making total cash payments of 400,000 dirham (approximately \$50,000). A further payment of 400,000 dirham (approximately \$50,000) is to be paid to the vendor, conditional upon future exploration work confirming a minimum of 10,000,000 ounces of silver on the property. On November 2012, The Corporation renewed the Permit 233263 for the next four years in accordance with the Moroccan Mining Authorities.

Mining permit no 233263 covers 16 square-kilometres and is located in an important mining district in the eastern Anti-Atlas Mountain Range in Morocco which includes the world class 'Imiter Silver Mine", the largest silver mine in Africa, and 10th largest silver mine in the world. This mine has produced in excess of 10 million ounces of silver per year for more than a decade.

During the first quarter of the current year, two new mineralized zones were encountered in the western and northern sectors of the property which returned values up to 2 g/t Au, 285 g/t Ag and 16.3% Cu with the presence of galena, sphalerite, chalcopyrite and native gold, hosted in the matrix of brecciated oxidized and silicified breccias. There is a variety of mineralization types found throughout the property and crosscutting felsic volcanic rocks as well as, sedimentary sequences. Further exploration work may lead to the discovery of other mineralized Pb-Zn-Cu-Ag-Au breccias zones.

Management plans to execute further exploration and evaluation activities on permit 233263 when appropriated financing will be raised. Management believes the fundamental outlook for that permit remains good for the future. Based on an impairment analysis performed in 2014 and given that no expenses was budgeted in a short-term horizon, this property was considered fully impaired and a charge for an amount of \$366,034 was recorded in the consolidated statement of comprehensive loss.



### **Amizmiz Property**

The 100% owned Amizmiz Property was acquired in 2010 by replacing and cancelling the previous option agreement of March 2009 with *Société d'Exploration Géologique des Métaux* ("SEGM"), a Moroccan private company holding the right on the Amizmiz mining permits, in consideration for 1,555,555 common shares of the Corporation. In accordance with the 2009 option agreement and the 2010 acquisition agreement, the Corporation made cash payments of \$250,000 in 2009 and issued 500,000 common shares in 2009, 666,667 common shares in March 2010 and 1,555,555 common shares in June 2011, respectively valued at \$190,000, \$180,000 and \$622,223 at the date of the transactions. SEGM retains a 2.5% net smelter royalty ("NSR") on the acquired permits. The 2010 acquisition agreement was approved by the Moroccan Mining Authorities in June 2011.

The Corporation also received in 2011 the renewal by the Moroccan Mining Authorities of the Amizmiz permits PE183200, PE183201, PE183202 and PE183203, until July 16, 2015. In November 2011, Maya filed with the Canadian securities regulators, a NI 43-101 Technical Report to support the pre-production work program at the Amizmiz Property. The report entitled: "Pre-production Work Program, Preliminary Economic Study, The Amizmiz Gold property, Marrakech Province, Kingdom of Morocco, November 7, 2011" was prepared by Michel Boily, PhD., P.Geo from Geon Ltd., an independent Qualified Person under NI 43-101 standards. The report was filed on SEDAR at [www.sedar.com](http://www.sedar.com) and on Maya's website at [www.mayagoldsilver.com](http://www.mayagoldsilver.com).

The Amizmiz property is a gold exploration and mining prospect. The Carbonate Replacement Deposit model (CRD model) remains the proposed and targeted geological model for the Amizmiz property. Several characteristics of the Amizmiz polymetallic gold-rich veins are consistent with a carbonate replacement origin in a distal environment relative to a parent intrusive; the relatively discrete alteration of the wall rock carbonate rocks which is manifested by sporadic silicification and sericitization; the mineralized veins forming thin (meter-thick) continuous veins injected in the S2 schistosity with limited if any connection to mineralized pipes, chimneys or brecciated ore filling karst structures; the strong oxidation of sulfide minerals in the mineralized veins attesting of the high level of emplacement and the availability of meteoric waters; and the relative enrichment in gold and arsenic relative to silver and base metals (Cu, Zn and Pb).

In 2012, one of the permits held at the Amizmiz project was not renewed. Since no value was allocated to this permit at the acquisition date, no impairment adjustment was considered necessary by Management.

Management plans to execute further exploration and evaluation activities on Amizmiz property when appropriated financing will be raise. Management believes the fundamental outlook for that property remains good for the future. Based on impairment analysis performed in 2014 and given that no expenses was budgeted on a short-term horizon, this property was considered fully impaired and a charge for an amount of \$6,077,291 was recorded in the consolidated statement of comprehensive loss.

**Azegour property**

The Corporation entered into a property purchase agreement in March 2011, with Ouiselat Mines (a private Moroccan company) to acquire a 100% interest in mining permit PE183208 ("Azegour Property") for a total cash consideration of 20.0 million dirham (approximately \$2.4 million) and the issuance of 500,000 common shares of the Corporation in favour of Ouiselat Mines. In accordance with the agreement, the Corporation paid in 2011, in two tranches, a total amount of 15.0 million dirham (approximately \$1.8 million) and issued 500,000 common shares of the Corporation, valued at \$175,000. The third and final cash payment of 5 million dirham (\$593,500) was due in March 2012, 12 months following the signing of the purchase agreement. This payment was made in March 2012. The Corporation agreed to pay a 2.5% royalty on revenues to Ouiselat Mines on any production derived from the property. The transfer of property titles to the Corporation as well as the regulatory approval of the transaction by the Moroccan Mining Authorities was confirmed in May 2011. The Corporation also received the renewal by the Moroccan Mining Authorities of the Azegour permit PE183208, valid until July 16, 2015.

The Azegour permit lies directly south of the Amizmiz property and covers part of the mineralized corridor associated with the proposed RIRG model (Reduced Intrusive-Related Gold System) as suggested by an evaluation report. The past producing mine contains some quantities of molybdenum, copper and tungsten that could be sold in a form of concentrate. It was shut down in 1971 due to the weakness of the price of these metals. The property is known to have the following non-compliant 43-101 historical reserves:

Mineral of interest	Tonnage (T)	Mined (t)	Grade (% weight)	Possible reserves (t)	Grade (% weight)
Molybdenite zone	1,500,000	500,000	0.35 - 0.40 (Mo)	1,000,000	0.35 – 0.40 (Mo)
Chalcopyrite zone	1,200,000	800,000	3.0 (Cu)	400,000	0.35 – 0.40 (Mo)
Sheelite zone	320,000 – 500,000	50,000	0.35 (WO <sub>3</sub> )	270,000 – 450,000	0.35 (WO <sub>3</sub> )
Uranite zone	-	120	1 (U <sub>3</sub> O <sub>8</sub> )	-	-

*Source: Région d'Azegour, Rapport Géologique Relatif au PR 36384 par Mohamed Kriaa, Janvier 2006. Historical reserves were calculated by BRPM in collaboration with Klockner (for Tungsten) between January 1977 and October 1979.*

These resources are considered historical as per NI 43-101 Standards of disclosure for Mineral projects. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources, the issuer is not treating the historical estimate as current mineral resources and the historical estimate should not be relied upon. SGS Canada Inc. could not confirm or validate the above stated historical numbers provided by Maya's management. However, as per underground observations during site visit conducted on January 15th-17th 2011, there are no reasons to believe that all mineralization has been mined out.

Management plans to execute further exploration and evaluation activities on Azegour property when appropriated financing will be raised. Management believes the fundamental outlook for that property remains good for the future. Based on impairment analysis performed in 2014 and given that no expenses was budgeted in a short-term horizon,



this property was considered fully impaired and a charge for an amount of \$3,063,110 was recorded in the consolidated statement of comprehensive loss.

## FINANCING TRANSACTIONS

### Convertible debentures into common shares or silver ingots

In February and March 2014, the Corporation closed \$8,300,000 of unsecured convertible debentures bearing interest at 8% per annum and maturing 36 months following the date of issue. The accrued interest amount of the debentures is payable quarterly.

At maturity date, the debenture holders will have the option to receive:

- (i) cash; or
- (ii) common shares of Maya, at a conversion price equal to \$0.35 per common share; or
- (iii) silver ingots produced from the Zgounder Silver mine at the option of the holders at a price per ounce of silver equal to the higher of:
  - (a) the spot market price of silver at the date of payment minus 12.5%; or
  - (b) \$US18 per ounce

An issuance cost of \$411,998 was paid in total in relation with this closing (\$82,207 was accounted for as issuance cost in equity in regard to the equity component).

The convertible debentures are a compound financial instrument and as such it has been recorded under the requirements of IAS 32, as a liability and as equity. Consequently, the liability component was valued first, and the difference between the proceeds of the debentures and the fair value of the liability was assigned to the equity component. For purposes of establishing the fair value of the liability component, an effective interest rate of 15% was used, representing the estimated market rate at closing that the Corporation would have obtained for similar financing without the conversion option. The liability component will be accreted to the face value of the debenture over the term of the debenture with a resulting charge to interest expense. The equity component of \$1,413,860 was accounted for net of tax effect of \$380,828.

In March 2014, the Corporation changed the terms of conversion of \$1,700,000 of the convertible debentures issued in November 2013. The options to convert the debentures into common shares can now be exercised one year after the issuance of the debentures and at the end of each quarter thereafter and not only at the expiration date of the debentures. The financial impact of these changes was not significant.

### Credit facility

On February 4, 2014, the Corporation entered into a facility agreement (the "Facility Agreement") for a credit facility in a principal amount of \$US6,000,000 (\$6,960,600), of which \$US3,500,000 (\$4,060,350) was drawn immediately (the "Initial Facility") available. The Initial Facility is a 12-month loan maturing on January 31, 2015 and bearing interest at 12% per annum. The principal amount and the interest were originally repayable in nine consecutive monthly



## Management's Discussion and Analysis

Year ended December 31, 2014

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installments commencing on May 31, 2014 from the cash generated by the operations of Zgounder Silver Mine. In May 2014, the Corporation and the lender agreed to postpone the beginning of capital payment from May 31, 2014 to July 31, 2014 and further in June 2014, the Corporation and the lender agreed to postpone the capital payment of July 31, 2014 to August 2014. As at December 31, 2014, the Corporation has an overdue amount of \$US 868,000 (\$1,006,967). The lender accepts the late payment situation and the Corporation is actually renegotiating the terms of the Initial Facility.

Pursuant to the Facility Agreement six months after the date of the Facility Agreement, a further loan of \$US2,500,000 (\$2,900,250) with a twelve-month term was available to the Corporation, for an aggregate facility of \$US6,000,000 (\$6,960,600). Under the terms of the Facility Agreement, the lender was granted a silver ounce fee of \$US0.25 / ounce (\$0.29 / ounce) of silver ingots delivered by the Zgounder Silver Mine to a refiner.

The Corporation signed a Security Agreement with a trustee relating to the assignment of the commercial contracts and the refinery contract as security to the lender which included a hypothec in favour of the lender covering all of the Corporation's rights, title and interest in and to the commodity contracts and deposits for an amount of up to \$7,000,000 in order to secure the payment of any amounts due under the Facility Agreement.

Under the facility, the lender has the option to purchase up to 1,500,000 common shares of Maya at a price of \$0.35 per share, which may be exercised in lieu of amounts due under the Facility Agreement, over the term. If and when the option is exercised, the Corporation will reduce the outstanding amount owed to the lender under the Facility Agreement by the calculation of shares of the Corporation issued multiplied by the option strike price.

If the Corporation fails to pay any amount payable under the Facility Agreement, the lender may require the Corporation to issue a number of common shares in sufficient net value to satisfy the Corporation's obligation to pay any unpaid amount.

An issuance cost of \$247,646 was paid in total in relation with this closing. Amortization is calculated on a straight-line basis over the term of the credit facility.

Pursuant to the terms and conditions of the Facility Agreement and for the duration of the agreement, the Corporation deposited in a reserve account an amount of \$US140,000 (\$162,414).

The credit facility is a compound financial instrument and as such it has been recorded under the requirements of IAS 32, as a debt and as derivative financial instrument for the 1,500,000 options to purchase common shares at a price of \$0.35. Consequently, the derivative financial instrument was valued first, and the difference between the proceeds of the credit facility and the estimated value of the options was assigned to the debt. The derivative financial instrument will be evaluated on a quarterly basis with variation in fair value recognized in the profit or loss. As at February 4, 2014, the Corporation recognized a derivative liability of \$96,600 for the 1,500,000 options granted to the lender. The estimated value amounted to \$5,400 as at December 31, 2014 and the variation of \$91,200 was recognized in the profit or loss during the year. The Corporation used the Black-Scholes option pricing model to value the options at the issuance date and used the same model to value this element at the end of the year. The carrying amount of the debt was increased monthly by periodic accretion under the effective interest method based on a rate of 15%.



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The following table illustrates the value of the derivative financial liability:

	Expiry date	Fair value as at February 4, 2014	Fair value as at December 31, 2014
		\$	\$
1,500,000 share purchase options granted to the lender	March 31, 2015	96,600	5,400

The derivative financial liability is a level 3 financial liability measured at fair value and is revalued at each end of period using the Black-Scholes option pricing model using the following assumptions:

	December 31, 2014	February 4 2014
Exercise price (\$)	0.35	0.35
Valuation date market price (\$)	0.21	0.315
Expected stock option life (year)	0.25	1.00
Expected volatility (%)	73	61
Risk-free interest rate (%)	1.00	1.01
Dividend yield (%)	-	-

The Corporation currently estimates the expected volatility of its common shares based on its historical information over the expected life of the options.

Under the facility, the Corporation was required, in December 2014, to purchase put options as protection against the decrease of silver price. Therefore, the Corporation purchased, through the lender, who acted as intermediary for the account of the Corporation, put options to sell 20,000 ounces of silver per month at a price of \$US14.50 per ounce from December 2014 to November 2015 for an amount of \$US131,250 (\$145,881).

The following table illustrates the value of these derivative financial assets:

	Expiry date	Fair value at December 11, 2014	Fair value at December 31, 2014
		\$	\$
Put options for 20,000 ounces of silver per month at US\$14.50	November 2015	145,881	106,012

The derivative financial instruments are a level 2 financial assets measured at fair value and is revalued at each end of period using the valuation of these options made by a financial institution. The Corporation assesses the reasonableness of these valuations through internal methods and third party valuations. Valuations are based on forward rates considering the market price, rate of interest and volatility, and take into account the credit risk of the financial instrument.



### **Issuance of securities**

- On September 2014, 5,565,429 warrants were exercised for an amount of \$1,947,900.
- On August 2014, 214,286 warrants were exercised for an amount of \$75,000.
- On July 2014, 35,000 options were exercised for an amount of \$8,750.
- On June 2014, 90,000 options were exercised for an amount of \$30,000.
- On April 2014, 250,000 warrants were exercised for an amount of \$87,500.

On May 2014, the Corporation issued in total 600,000 common shares, 300,000 common shares to each of the Chief Executive Officer and President, under the share-based awards determined pursuant to the Long-Term Incentive Plan ("LTIP"). The market price of the common shares on May 21, 2014 was \$0.43.

On July 2, 2014, the Board adopted a resolution approving the grant of 300,000 common shares to a non independent director. This transaction was conditionally accepted by the regulatory authorities and issuance is subject to an approval from the disinterested shareholders.

In part of private placements closed on 2011 and 2012, the Corporation issued 1,566,666 units (composed of 1 share and one half of warrant) to a director as payment of bonuses. In 2014, regulatory authorities review these transactions and stated that these payments of bonuses should had been treated as share for debt transactions instead of private placements. The final approval of the TSX Venture Exchange for the issuance of the 1,566,666 common shares to the director is subject to the approval of the disinterested shareholders of the Corporation at the next meeting of shareholders and the warrants related should be cancelled. All warrants were expired on December 31, 2013.

### **OTHER EVENTS**

#### **Stock Option Plan**

On May 7, 2014, the Corporation granted to directors, officers, employee and consultants, 2,700,000 share purchase options with a five year term. The share purchase options are exercisable at \$0.50 per share. The 1,625,000 options vested at the date of grant and 1,075,000 will vest one year after the date of grant.

On July 2, 2014, the Corporation granted 200,000 share purchase options to a director with a five years term and 100,000 share purchase options to consultants with a three years term. The share purchase options are exercisable at \$0.50 per share. The share purchase options are vested on each quarter equally on 18 months.

#### **Contingency**

On July 2014, Société d'Exploration Géologique des Métaux ("SEGM") filed a lawsuit against its wholly-subsiary 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 started production at 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 is contesting this lawsuit, which it considers 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



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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.

**EVENT AFTER DECEMBER 31, 2014**

**Financing**

On March 23, 2015, the Corporation has closed a non-brokered private placement of \$1,200,000 through the issuance of 4,800,000 units at a price of \$0.25 per unit. Each unit consist of one common share of the Corporation and one-half of a common share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.50 during an 18-month period following the date of closing.

**EXPLORATION AND EVALUATION ASSETS**

Exploration and evaluation expenses incurred on Moroccan properties during the years are detailed as follows:

	December 31, 2014	December 31, 2013	December 31, 2012
	\$	\$	\$
Salaries and benefits	43,359	183,184	167,432
Drilling and sampling	-	626,967	11,066
Geology and consulting	112,669	941,866	289,400
Supplies and others	-	184,624	424,018
Administrative	39,757	181,874	37,275
Depreciation	32,507	132,929	75,998
Transfer to PP&E	(3,005,693)	-	-
Impairment	(4,928,046)	-	-
Foreign exchange	11,294	277,249	(195,910)
	(7,694,153)	2,528,693	809,279

At December 31, 2014

	<b>Morocco</b>	<b>Total</b>
	\$	\$
<b>Exploration and evaluation assets</b>		
Rights on mining claims	4,438,257	4,438,257
Deferred exploration and evaluation expenses	113,174	113,174
	4,551,431	4,551,431

At the time Zgounder entered into development stage, the Corporation performed an impairment test. The recoverable amount of Zgounder property was determined based on value-in-use calculations. No impairment was required on the transition date of the Zgounder property from the exploration to development phase and related accumulated costs as of that date (\$5,547,250 related to mining rights and \$3,005,693 related to other exploration and evaluation expenses) were transferred to mining assets under construction into property, plant and equipment.



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At year end, the Corporation performed an impairment test following indication of impairment, i.e. the decrease of the silver price. The recoverable amount of Zgounder property was determined based on value-in-use calculations, covering a detailed eleven-year forecast. Reserves based on the pre-feasibility study as at December 31, 2014 were used for the first nine years of this forecast. An additional two years was added to the forecast resulting of the conversion of some of actual resources into reserves following an exploration program during the first years as recommended by the pre-feasibility study. Significant assumptions used include future price of silver (between USD16,30 and USD19), the future foreign currency rate of Moroccan dirham to Canadian dollars of 0.13 and Canadian to US dollars of 1.1 and the expected cash flow were discounted using a 13% discount rate that reflects appropriate adjustments relating to market and specific risk factors for the property. No impairment was required as at December 31, 2014 following the completion of the impairment test.

The following table detailed the exploration and evaluation expenses per property incurred in 2014 and 2013:

	Zgounder		Boumadine		Amizmiz/ Azegour		Other		Total	Total
	December 31, 2014	December 31, 2013								
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Salaries and benefits	43,359	183,184	-	-	-	-	-	-	43,359	183,184
Drilling and sampling	-	626,967	-	-	-	-	-	-	-	626,967
Geology and consulting	112,669	828,784	-	113,082	-	-	-	-	112,669	941,866
Supplies and others	-	184,624	-	-	-	-	-	-	-	184,624
Administrative	39,757	181,874	-	-	-	-	-	-	39,757	181,874
Depreciation	32,507	132,929	-	-	-	-	-	-	32,507	132,929
Foreign exchange	11,294	37,831	-	-	-	222,972	-	16,446	11,294	277,249

Zgounder property has entered into the development phase in the second quarter of 2014. Since this date, the exploration expenses are accounted for in mining assets under construction. The Corporation will begin an exploration program in 2015 following the financing closed on March 2015.

Management plans to execute further substantive exploration and evaluation activities on Boumadine, Amizmiz, Azegour, permit 233263 and Touchkal properties when appropriated financing will be raised. Management believes the fundamental outlook for those properties remains good for the future. However given that no substantive expenditures on further exploration and evaluation of mineral resources in a specific area is budgeted on a short-term horizon, the Corporation recognized an impairment charge related to Amizmiz, Azegour and permit 233263 properties of \$9,506,435. Since Boumadine is a recent acquisition and all that required payments were not yet completed as described in the agreement but it is management's intention to respect its commitments to obtain the legal title, no impairment charge was judged required for that property.



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**SELECTED CONSOLIDATED INFORMATION**

	December 31, 2014	December 31, 2013	December 31, 2012
	\$	\$	\$
<b>Statement of Financial position</b>			
Cash and cash equivalent	2,138,588	157,410	2,788,597
Property, plant and equipment	19,158,950	7,612,635	541,833
Exploration and evaluation assets	4,551,431	22,420,183	18,350,509
Total assets	28,355,868	30,670,088	23,755,967
Convertible and non-convertible debentures	8,843,767	1,773,693	1,760,000
Balances of purchase price payable	3,741,900	6,141,666	3,292,800
Credit facility	2,523,575	-	-
Equity	6,442,728	17,434,309	18,121,807
	<b>Year ended December 31, 2014</b>	<b>Year ended December 31, 2013</b>	<b>Year ended December 31, 2012</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses and other items</b>			
Management and administration	2,226,390	1,962,864	1,714,309
Investor relations and corporate development	414,223	622,199	592,555
Impairment of exploration and evaluation assets	9,506,435	-	175,893
Impairment of property, plant and equipment	-	119,672	-
Impairment of marketable securities	-	632,727	-
Change in fair value of marketable securities	4,352	122,156	(141,416)
Loss on disposal of marketable securities	-	433,325	-
Change in fair value of derivative financial instrument	(51,331)	-	-
Loss on foreign exchange	869,263	(240,857)	222,954
Finance expense	2,320,569	374,464	70,164
Gain on settlement of debentures	-	(140,185)	-
Deferred income tax recovery	(433,576)	(396,948)	(353,194)
<b>Net loss</b>	<b>(14,856,325)</b>	<b>(3,489,417)</b>	<b>(2,281,265)</b>
<b>Other comprehensive loss</b>			
Change in foreign currency translation of foreign subsidiary	(7,596)	(58,160)	34,600
Change in fair value of marketable securities	58,382	906,983	159,069
Disposal of marketable securities – reclassification to the statement of income of the realized loss	-	(433,325)	-
Impairment of marketable securities - reclassification to the statement of income of the realized loss	-	(632,727)	-
<b>Comprehensive loss</b>	<b>14,907,111</b>	<b>(3,272,188)</b>	<b>(2,474,934)</b>
<b>Basic and diluted net loss per common share</b>	<b>(0.13)</b>	<b>(0.03)</b>	<b>(0.03)</b>
<b>Cash flows</b>			
Operating activities	(4,661,346)	(1,093,679)	(2,335,262)
Investing activities	(5,433,258)	(3,732,178)	(6,789,777)
Financing activities	12,075,782	2,194,670	9,945,819



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Since its incorporation, the Corporation has not paid any cash dividends on its common shares. Any future dividend payment will depend on the Corporation's financial needs to fund its exploration, evaluation and development programs and any other factor that the board may deem necessary to consider. It is highly unlikely that any dividends will be paid in the near future.

**CHANGES IN ACCOUNTING POLICIES**

There is a full disclosure and description of the Corporation's changes in accounting policies in notes 3 and 4 of the audited consolidated financial statements for the year ended December 31, 2014.

**MANAGEMENT AND ADMINISTRATION EXPENSES**

	Year ended December 31, 2014	Year ended December 31, 2013	Year ended December 31, 2012
	\$	\$	\$
Salaries and benefits	657,434	466,870	488,589
Consulting fees	206,500	172,666	525,737
Share-based payments	868,303	854,259	330,812
Office	174,589	138,841	148,617
Professional fees	268,825	271,213	119,635
Regional office – Mexico	5,656	6,358	6,522
Reporting issuer costs	45,083	40,952	34,520
Penalties and interests	-	-	55,823
Depreciation and impairment of equipment	-	11,705	4,054
	2,226,390	1,962,864	1,714,309

**FINANCIAL REVIEW**

The Corporation is at the development stage for its Zgounder project and at exploration and evaluation stage for the other projects in Morocco. The Corporation began to generate mining revenue in 2014 (\$1,790,235) and it's applied against the mining property under construction since the project is in development stage.

**Year 2014 compared to 2013**

During 2014, the Corporation incurred a loss of \$14,856,325 (\$0.13 per share) compared to \$3,489,417 (\$0.03 per share) in 2013. The increased loss in 2014 is mainly attributable to impairment of exploration and evaluation assets, higher finance expense and loss on foreign exchange explained as follows:

- In 2014, based on an impairment analysis, the Amizmiz and Azegour properties and permit 233268 were recorded as impaired by \$9,506,435 given that no expenses was incurred in the past years and no expenses was budgeted, nil in 2013;



## Management's Discussion and Analysis

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- The Corporation recorded a loss on foreign exchange of \$869,263 related to the variation of the closing rate of the Moroccan dirham vs the Canadian dollar as compared to the historical rate of the advance in Canadian dollars made to a subsidiary (gain of \$240,857 in 2013);
- The Corporation recorded a finance expense of \$2,320,569 in 2014 mainly resulting from new convertible debentures and credit facility closed in 2014 (\$374,464 in 2013);
- In 2014, the Corporation expensed bonuses in the amount of \$185,000 in 2014. The expenses is, nil in 2013;
- The Corporation incurred a gain on derivative financial instruments in 2014 of \$51,331 (nil 2013) related to the variation of the fair value of derivatives related to the Scipion loan and the put options contracted during the year;
- The Corporation incurred an impairment loss on marketable securities in 2013 of \$632,727 (nil in 2014) related to the decrease of the fair value of marketable securities (shares);
- In 2013, the Corporation incurred loss on disposal of marketable securities (shares) of \$433,325, nil in 2014;
- The Corporation recorded an impairment of some exploration and evaluation equipments in 2013 as they required significant maintenance.
- The Corporation incurred a loss on marketable securities in 2014 of \$4,352 (\$122,156 in 2013) related to the decrease of the fair value of marketable securities (subscription shares) since the exchange shares with Praetorian in July 2012;
- Income taxes recovery of \$433,576 in 2014 (\$396,948 in 2013) related to recognition of deferred tax assets to offset tax impact of expiration of warrants and tax impact of convertible debentures.

### Year 2013 compared to 2012

During 2013, the Corporation incurred a loss of \$3,489,417 (\$0.03 per share) compared to \$2,281,265 (\$0.03 per share) in 2012. The increased loss in 2013 is mainly attributable to higher management and administration expenses, loss on disposal of marketable securities, impairment of marketable securities, impairment of property, plant and equipment and finance expenses, explained as follows:

- The Corporation incurred an impairment loss on marketable securities in 2013 of \$632,727 (nil in 2012) related to the decrease of the fair value of marketable securities (shares);
- The Corporation incurred a loss on marketable securities in 2013 of \$122,156 (gain of \$141,416 in 2012) related to the decrease of the fair value of marketable securities (subscription shares) since the exchange shares with Praetorian in July 2012;
- In 2013, the Corporation incurred loss on disposal of marketable securities (shares) of \$433,325, nil in 2012;
- In 2012, based on an impairment analysis, the Mexican property was recorded as impaired by \$175,893 given that no expenses was incurred in the past years and no expenses was budgeted, nil in 2013;



## Management's Discussion and Analysis

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- Salaries and consulting fees in 2013 decreased by \$112,290 compared to 2012 mainly due to general diminution of expenses. Some employees transfer their status from consultants in 2012 to become employees in 2013;
- In 2012, the Corporation expensed bonuses in the amount of \$262,500 as compared to long term incitative plan (LTIP) of \$296,480 in 2013. The expenses of LTIP is presented as stock-based payments expenses;
- In 2013, the other stock-based payments totalling \$557,779 (excluding LTIP) as compared to \$330,812 in 2012. The increase is principally due to the grant in January 2013 of 3,675,000 options which is higher than the grant of 2012 with similar vesting period;
- Professional fees increased in 2013 for \$151,578 as compared to 2012 as works related to higher financing activities in 2013 not completed.
- The Corporation recorded an impairment of some exploration and evaluation equipments in 2013 as they now required significant maintenance.
- The Corporation recorded a gain on foreign exchange related to the variation of the closing rate of the Moroccan dirham vs the Canadian dollar as compared to the historical rate of the advance made to the subsidiary;
- Income taxes recovery of \$396,948 in 2013 related to recognition of deferred tax assets to offset tax impact of expiration of warrants in 2013 and tax impact of convertible debentures.

### Financial position analysis

- Rehabilitation work performed in 2014 on the Zgounder property and the beginning of the commissioning activities resulting of an increase of property, plant and equipment compensate by the impairment on Amizmiz and Azegour properties and mining permit 233263.
- Closing of a credit facility in 2014 of which USD 3,500,000 was drawn in 2014 to the completion of the rehabilitation work at the Zgounder property.
- Two payments as per requirement of balances of purchase price contributed to reduce the liabilities in 2014.
- The debentures increased in 2014 as a result of new debentures closed in 2014 as explained in financing section.
- The Corporation recognized an additional amount of \$192,323 as asset retirement obligations representing the legal and contractual obligations associated with the eventual dismantling of the Corporation's assets.
- The account payable and accrued liabilities increased by \$713,516 as at December 31, 2014 as compared to December 31, 2013 mainly due to the activities at the Zgounder property.



**Management's Discussion and Analysis**  
Year ended December 31, 2014

**SELECTED QUARTERLY INFORMATION**

Quarter ended	Accounting policies	Revenues	Net loss	Net loss per share (basic and diluted)
		\$	\$	\$
December 31, 2014 <sup>(1) (9)</sup>	IFRS	-	(10,988,124)	(0.10)
September 30, 2014 <sup>(2)</sup>	IFRS	-	(1,326,657)	(0.01)
June 30, 2014 <sup>(3)</sup>	IFRS	-	(2,310,928)	(0.01)
March 31, 2014 <sup>(4)</sup>	IFRS	-	(230,616)	(0.01)
December 31, 2013 <sup>(5)</sup>	IFRS	-	(1,009,309)	(0.01)
September 30, 2013 <sup>(6)</sup>	IFRS	-	(603,056)	(0.01)
June 30, 2013 <sup>(7)</sup>	IFRS	-	(824,986)	(0.01)
March 31, 2013 <sup>(8)</sup>	IFRS	-	(1,052,066)	(0.01)

- (1) Includes the decline in fair value of marketable securities of \$37,212, impairment of exploration and evaluation assets of \$9,506,435 and share-based payments of \$868,303.
- (2) Includes the negative change in fair value of marketable securities of \$23,442, positive change in fair value of derivative financial instrument of \$177,900 and share-based payments of \$94,368.
- (3) Includes the positive change in fair value of marketable securities of \$48,304, positive change in fair value of derivative financial instrument of \$18,600 and share-based payments of \$666,547.
- (4) Includes the positive change in fair value of marketable securities of \$7,998, negative change in fair value of derivative financial instrument of \$150,450 and share-based payments of \$44,516.
- (5) Includes the decline in fair value of marketable securities of \$27,808, loss on disposal of marketable securities of \$316,134, impairment of marketable securities of \$632,727 and share-based payments of \$72,752.
- (6) Includes the decline in fair value of marketable securities of \$50,268, loss on disposal of marketable securities of \$117,191 and share-based payments of \$123,773.
- (7) Includes the decline in fair value of marketable securities of \$3,737, loss on disposal of marketable securities of \$321,371 and share-based payments of \$144,808.
- (8) Includes the decline in fair value of marketable securities of \$40,343, share-based payments of \$216,446 and issuance of shares as long-term incentive plan of \$296,480.
- (9) Revenues of \$1,790,235 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.

**FOURTH QUARTER RESULTS**

For the three-months ended December 31, 2014, the Corporation incurred a net loss of \$10,988,124 (\$0.10 per share) compared to a net loss of \$1,009,309 (\$0.01 per share) during the same period in 2013. The increased loss in the 2014 period was mainly attributable to:

- In 2014, based on an impairment analysis, the Amizmiz and Azegour properties and permit 233268 were recorded as impaired by \$9,506,435 given that no expenses was incurred in the past years and no expenses was budgeted, nil in 2013;
- Finance expenses of \$706,896 in the fourth quarter of 2014 (\$115,801 in 2013);
- The Corporation incurred an impairment loss on marketable securities in 2013 of \$632,727 (nil in 2014) related to the decrease of the fair value of marketable securities (shares);



- The Corporation recorded an impairment of some exploration and evaluation equipments in 2013 as they required significant maintenance.
- The Corporation recorded a loss on foreign exchange of \$399,603 related to the variation of the closing rate of the Moroccan dirham vs the Canadian dollar as compared to the historical rate of the advance in Canadian dollars made to the subsidiary (gain of \$72,393 in 2013);
- Income taxes recovery in 2014 related to recognition of deferred tax assets to offset tax impact of expiration of warrants in 2014.

### **LIQUIDITY AND CAPITAL RESOURCES**

The Corporation had negative working capital \$7,266,275 as at December 31, 2014 (\$8,726,05 as at December 31, 2013). The increase in working capital is mainly due to the equity financing closed at the end of 2014 and working capital generated from operation at Zgounder.

During the year 2014, the Corporation completed financings for a net amount of \$12,082,491. Terms of the financings completed in 2014 are described in the 2014 financing section.

The Corporation also made payments amounting to \$2,756,844 with respect to the balances of purchase payable for Zgounder and Boumadine properties. Terms of the acquisition of Zgounder and Boumadine are described in acquisition of Zgounder and Boumadine properties and exploration and evaluation assets incurred in 2012 and 2013 is described in the exploration section. The Corporation paid for acquisition of property, plant and equipment \$2,480,629 and for exploration and evaluation assets \$195,785 in 2014.

To the amount paid to Glowat as advance for property acquisition and exploration and evaluation work as at December 31, 2013, the Corporation paid in 2014 an additional \$2,455,179 to Glowat. These amounts was used by Glowat to acquired property, plant and equipment, rights on mining properties and deferred exploration and evaluation work on behalf of the Corporation. The accounts payable and accrued liabilities to a related party (Glowat) was mainly use to acquired property, plant and equipment in 2013 and 2014. See "Related party transactions" section for more details.

Advanced exploration of some of the mineral properties will require substantial financial resources. There is no assurance that such financing will be available when required, or under terms that are favourable to the Corporation. The Corporation may also elect to advance the exploration and development of mineral properties through joint-venture participation.

The Corporation's principal source of financing is equity and debt financing, the success of which depends on capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration and evaluation activities and be able to support its ongoing operations, the Corporation will require further equity financing. Considering the latest property acquisitions and other current opportunities, the Corporation will also assess other types of financing.



**Management's Discussion and Analysis**  
Year ended December 31, 2014

	Carrying amount	Contractual cash flows	0 to 12 months	12 to 24 months	More than 24 months
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities (except salaries and employee benefits)	1,338,917	1,338,917	1,338,917	-	-
Accounts payable and accrued liabilities to a related party	4,183,542	4,183,542	4,183,542	-	-
Balances of purchase price	3,741,900	3,964,900	2,685,900	1,279,000	-
Credit facility	2,523,575	2,590,444	2,590,444	-	-
Debentures	8,843,767	12,327,809	1,375,000	2,486,809	8,466,000

The Corporation plans to incur exploration and evaluation expenses for all its properties in Morocco in the upcoming years upon completion of appropriate financing.

**CAPITAL MANAGEMENT**

The Corporation defines capital as equity, credit facility and debentures. When managing capital, the Corporation's objectives are:

- a) to ensure the Corporation continues as a going concern;
- b) to increase the value of the Corporation's assets; and
- c) to achieve optimal returns to shareholders.

These objectives will be achieved by identifying the right exploration and evaluation projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and evaluation and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business. As at December 31, 2014, capital was \$17,810,070 (\$19,208,002 at December 31, 2013). Management reviews its capital management approach on an ongoing basis and believes that this approach is appropriate given the relative size of the Corporation. There were no changes in the Corporation's approach to capital management during the year ended December 31, 2014. Variation of capital during the year is detailed in the consolidated statement of changes in equity.



## **OFF-BALANCE SHEET ARRANGEMENTS**

The Corporation has not entered into any off-balance sheet arrangements including, without limitation, in respect of guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or in respect to any obligations under a variable interest equity arrangement.

## **COMMITMENTS AND GUARANTIES**

### **Lease agreement**

As at December 31, 2014, the Corporation had a commitment under the terms of a lease for office premises ending in May 2015 of \$15,925.

### **Royalties**

As per terms of property purchase agreements, the Corporation is also committed to pay the following royalties:

- 2.5% net smelter royalty ("NSR") on the Amizmiz property and an 8 km radius area of interest;
- 2.5% royalty on revenue from the Azegour property;
- 2.0% NSR on the La Campaña property.
- 3.0% royalty on revenue from the Zgounder property (\$60,300 (459,000 dirhams for the year ended December 31, 2014)
- 3.0% royalty on revenue from the Boumadine property

### **Net profit interest**

#### **Zgounder**

The Board adopted a resolution approving the payment to Glowat of a net-profit interest (a "NPI") equal to 5% of the gross revenues generated from the operations of the Zgounder silver mine, less mining and milling costs.

### **Exploration expenses**

#### **Zgounder**

The Corporation agreed to undertake a \$5.0 million exploration program to be spent within 24 months of the transfer of the property, of which \$3,900,109 is remaining to be expensed as at December 31, 2014.



### **Boumadine**

The Corporation has also agreed to undertake a work program beginning three months after the transfer of the property. For the development of the Boumadine property, the Corporation agreed to realize the following actions correspondingly;

- (i) Certification of reserves (18 months);
- (ii) Testing recovery (6 months);
- (iii) Mining development (48 months); and
- (iv) Research and exploration (60 months).

### **Letter of credit**

#### **Boumadine**

The Corporation is committed to subscribe to a letter of credit for the benefit of OHNYM, in the amount of \$281,380 (2,200,000 dirham) with respect to the Joint Venture Agreement.

### **Guaranties**

ZMSM has two letters of credit amounting to \$281,380 (2,200,000 dirham) with suppliers.

## **RELATED PARTY TRANSACTIONS**

In the normal course of operations, for the years ended December 31, 2014 and 2013:

- Glowat, a Moroccan private company owned by a close relative of an officer who is also director of the Corporation, charged as part of a project management agreement, management and service fees of \$691,541 which were capitalized to mining assets under development in property, plant and equipment (\$144,387 in 2013 in exploration and evaluation assets).
- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to \$59,237 recorded as professional fees and \$56,628 as issuance cost of debt. (\$91,135 in 2013 recorded as professional fees, \$1,998 as share issue expenses and \$32,000 as prepaid expenses);
- A company controlled by a director of the Corporation, charged fees of \$6,750 recorded as consulting fees (\$9,571 in 2013 recorded as exploration and evaluation assets);
- A company controlled by a former officer charged professional fees of \$8,955 recorded as professional fees (\$28,156 in 2013 recorded as professional fees);
- A firm, of which a director of the Corporation is a partner, charged fees of \$35,000 as issuance costs of credit facility (nil in 2013);
- An officer who is also a director of the Corporation received in April 2012, in lieu of a bonus payment, 3 units at a price of \$70,000 per unit and debentures for a principal amount of \$60,000. The settlement in cash for the debentures was paid in 2014.
- An officer of the Corporation charged consulting fees of \$125,000 (\$135,865 in 2013).



**Management's Discussion and Analysis**  
Year ended December 31, 2014

As at December 31, 2014, the Corporation had advanced an amount of \$267,817 (\$193,081 in 2013) to officers who are also directors of the Corporation. These advance are non-interest bearing and repayable on demand.

During the year ended December 31, 2014, the Corporation advanced \$2,455,179 to Glowat for the acquisition of mining rights and exploration and evaluation work and property, plant and equipment (\$1,830,000 in 2013). As at December 31, 2014, the Corporation has a liability to Glowat amounting to \$4,183,542 (32,709,479 dirham). As at December 31, 2013, the Corporation had a liability of \$3,642,085 (27,951,535 dirham). The amount paid by Glowat in 2014 for the benefits of the Corporation amounted to \$2,996,636 (\$8,628,441 in 2013) related to acquisition of property, plant and equipment, exploration and evaluation expenses, payment of balances of purchase price payable on behalf of the Corporation for Zgounder and Boumadine properties.

As at December 31, 2014 the balance due to the related parties (excluding the accounts payable and accrued liabilities to Glowat which are presented separately in the consolidated statement of financial position) amounted to \$138,948 (\$268,834 in 2013) recorded in accounts payable and accrued liabilities.

On January 18, 2013, the Board of Directors adopted a resolution approving the payment to Glowat of a net-profit interest equal to 5% of the gross revenues generated from the operations of the Zgounder silver mine, less mining and milling costs (the "NPI"). Glowat is a private Moroccan company controlled by a party related to Nouredine Mokaddem, a director and officer of the Corporation. Glowat provides, on an independent basis and as the turn-key general contractor for the Corporation, services related to the re-commissioning and development of the Zgounder silver mine, and act as the operational contractor of the Zgounder project. The NPI will remain payable as it comes due to Glowat until the end of the mine life of the Zgounder property notwithstanding the termination of the contract.

**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:

	<b>Year ended December 31, 2014</b>	<b>Year ended December 31, 2013</b>
	<b>\$</b>	<b>\$</b>
Director fees	48,178	49,812
Salaries	432,555	400,000
Consulting fees	983,111	443,116
Bonuses	185,000	-
Share-based payments	799,400	770,592
	2,448,244	1,663,520



## INFORMATION ON SHARES OUTSTANDING

As at April 28, 2015, the outstanding securities are as follows:

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Common shares	127,403,474
Warrants	2,400,000
Share purchase options	9,235,000

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## FINANCIAL RISK FACTORS

There is a full disclosure and description of the Corporation's financial instruments, financial risks and capital management in note 17 and 18 of the audited consolidated financial statements for the year ended December 31, 2014.

## OTHER RISKS AND UNCERTAINTIES

The operations of the Corporation are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration, evaluation and development of mineral projects. The risks below are not the only ones facing the Corporation. Additional risks not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the Corporation's operations. If any of the following risks actually occur, the Corporation's exploration, operating and financial results may be significantly different from those expected as at the date of this MD&A.

### *Risks Inherent to Mining Exploration*

The Corporation is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. Except for the Zgounder project, the Corporation's property interests are in the exploration stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Corporation will realize any profits in the short to medium term. Any profitability in the future from the Corporation's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

### *Uninsured Risks*

The Corporation's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political and foreign countries uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.



***Metal Price Volatility***

The profitability of the Corporation's operations will be significantly affected by changes in metal prices. Metal prices are volatile, can fluctuate substantially and are affected by numerous factors beyond the Corporation's control. In addition, metal prices are sometimes subject to rapid short-term changes because of speculative activities.

***Additional Funding Requirements***

Further exploration on, and development of the Corporation's projects, will require additional capital. In addition, a positive production decision at the projects or any other development projects acquired in the future would require significant capital for project engineering and construction. Accordingly, the continuing development of the Corporation's projects will depend upon the Corporation's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. There is no assurance that the Corporation will be successful in obtaining the required financing for these or other purposes.

***Regulatory Requirements***

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Corporation and could adversely affect its operations, business and results of operations.

Government approvals and permits are currently, and may in the future be, required in connection with the Projects. To the extent such approvals are required and not obtained; the Corporation may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

***Environmental Matters***

The Corporation's operations are subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Corporation may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production. In addition, other environmental hazards may exist on a property in which the Corporation directly or indirectly holds an interest which are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the property. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage



from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties.

To the extent the Corporation is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Corporation. If the Corporation is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Corporation.

***Risk of Project Delay***

There is significant risk involved in the development of advanced project such as the Zgounder project. There could be project delays due to circumstances beyond the Corporation's control. Risks include but are not limited to delays in acquiring all of the necessary mining and surface rights, project economics, capital funding, delays in obtaining environmental and construction authorizations and permits, as well as unforeseen difficulties encountered during the development process including labour disputes.

***Risk on the Uncertainty of Title***

Although the Corporation has obtained title opinions with respect to its key properties and has taken all possible measures to ensure proper title to its properties, including filing of necessary documents and payment of rents to local regulatory authorities, there is no guarantee that the title to any of its properties will not be challenged. Third parties may, unbeknownst to the Corporation, have valid claims underlying portions of the Corporation's interests.

***Risk Linked to Conflict of Interest***

Certain directors and officers of the Corporation may also serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. Furthermore, certain directors and officers of the Corporation may also serve as directors of other companies involved in mineral exploration and development. Consequently, the possibility of conflict of interest exists at several levels.

To the extent that such other companies may participate in ventures in which the Corporation is also participating, or participate in business transactions with the Corporation, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. Canadian law require the directors and officers of the Corporation to act honestly, in good faith, and in the best interests of the Corporation and its shareholders. However, in conflict of interest situations, our directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions, or declare and refrain from voting on any matters in which such directors have a conflict of interest.



***Human Resource Risk***

The Corporation is dependent on its ability to attract, retain and develop highly skilled and experienced workforce and key management employees. The loss of these employees may adversely affect its business and operations. To this effect, the Corporation offers competitive remuneration and benefits and it also implemented regular training sessions to improve general and specific skills of its work force. As part of its succession planning, the Corporation also identified a limited number of high potential employees whose development aims at making them key managers within a short to medium term.

***Reputational Risk***

The consequence of reputational risk is a negative impact to the Corporation's public image, which may influence its ability to acquire future mining projects and retain or attract key employees. Reputational risk may arise under many situations including, among others, cyber attacks and media crisis. Prior to acquire a particular project, the Corporation mitigates reputational risk by performing due diligence, which includes a review of the mining project, the country, the scope of the project and local laws and culture. Once the decision to participate in a mining project has been taken, the Corporation continues to assess and mitigate reputational risk through regular Board and Board's Committees reviews.

***Political Risk***

While the government of Morocco has supported the development of its natural resources by foreign companies, there is no assurance that this government will not in the future adopt different policies or new interpretations respecting foreign ownership of mineral resources, rates of exchange, environmental protection, labour relations, and repatriation of income or return of capital. Any limitation on transfer of cash or other assets between Maya and our subsidiaries could restrict our ability to fund our operations or materially adversely affect our financial condition and results of operation.

Moreover, mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. Our interpretation of taxation law, including fiscal stability provisions, as applied to our transactions and activities may not coincide with that of the tax authorities. As a result, taxes may increase and transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant taxes, penalties and interest.

The possibility that a future government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in this or neighboring countries.



**CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION**

This MD&A may contain “forward-looking information”, within the meaning of Canadian securities laws. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by the forward-looking information. Specifically, this MD&A includes, but is not limited to, forward-looking information regarding: the potential of the Corporation’s properties; results of exploration activities and interpretation of such results; the Corporation’s capacity to acquire new projects; plan, cost and timing of future exploration and development; requirements for additional capital; continuous access to capital markets; and other statements relating to the future financial and business performance and strategic plans of the Corporation.

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral resources but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such forward looking information will prove to be accurate and actual results could differ materially from those suggested by this forward-looking information for various reasons. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

**ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE**

This MD&A has been prepared as at April 28, 2015. Additional information on the Corporation is available through regular filings of press releases and financial statements available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Corporation’s website ([www.maya.com](http://www.maya.com)).



**CORPORATE INFORMATION**

**Board of Directors**

Réjean Gosselin, Chairman <sup>(2) (4)</sup>  
John G. Booth <sup>(1) (2) (3)</sup>  
René Branchaud<sup>(3)</sup>  
Guy Goulet  
Mario Caron<sup>(1) (4)</sup>  
Noureddine Mokaddem <sup>(4)</sup>  
Martin Wong <sup>(1) (2)</sup>

- (1) Audit Committee member
- (2) Compensation Committee member
- (3) Corporate Governance Committee member
- (4) Environmental, Health and Safety and Sustainability Committee member

**Auditors**

Raymond Chabot Grant Thornton LLP  
600, De La Gauchetiere Blvd. West – Suite 2000  
Montreal (Quebec)

**Transfer Agents**

Société de fiducie Computershare du Canada  
1500, rue University - Suite 700  
Montreal (Quebec) H3A 3S8

**Legal Counsel**

Lavery, de Billy, L.L.P. - Barristers and Solicitors  
1, Place Ville Marie - Suite 4000  
Montreal (Quebec) H3B 4M4

**Officers**

Guy Goulet  
Chief Executive Officer  
  
Noureddine Mokaddem  
President and  
Chief Operating Officer and  
President of Maya Maroc S.A.R.L and  
Zgounder Millenium Silver Mining S.A.

Alain Lévesque  
Chief Financial Officer

René Branchaud  
Secretary

**Exchange Listing**

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