Maya Gold & Silver Inc.

Management's Discussion and Analysis

Year ended December 31, 2016

MAYA GOLD AND SILVER INC
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2016

This Management's Discussion 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 24, 2017, covers the years ended December 31, 2016 and 2015 and should be read in conjunction with the Corporation's audited consolidated financial statements and related notes for the years ended December 31, 2016 and 2015 (the "December 31, 2016 and 2015 consolidated financial statements").

The Corporation's December 31, 2016 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, 2016, as issued and outstanding as of April 24, 2017, the date when the Board of Directors approved the consolidated financial 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. ("CMMM") and Zgounder Millenium Silver Mining S.A. ("ZMSM") 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 24, 2017.

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 the shares of ZMSM, 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 for accounting and reporting purposes to nil in 2014 as the 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 210,878,076 common shares on April 24, 2017. To date, the Corporation has begun to earn revenues during the start-up period at Zgounder but is still considered to be in the development stage for its Zgounder project and in exploration and evaluation stage for all other properties. The Zgounder project does not meet all the criteria to advance to the commercial production including the use of a flotation cells process.

HIGHLIGHTS, OUTLOOK AND SELECTED FINANCIAL INFORMATION

Corporation's 2016 Highlights

2016 – HIGHLIGHTS

- In March, 2016, the Corporation closed a $3.65 million non-brokered private placement of units and drew down an initial US$4.5 million of the loan facility of US$6 million from EBRD.
- In July 2016, the Corporation closed a $1.339 million non-brokered private placement and drew down a final US$1.5 million of the loan facility of US$6 million from EBRD.

Zgounder Silver Mine 2016 Highlights

- During 2016, the Zgounder Silver Mine produced 520,605 ounces of silver, which represent an increase of 60% compared with 2015 (325,986 ounces);
- For 2016, the Zgounder Mine realized sales of $10,750,614 and the development cost incurred in the same period amounted to $10,254,267. The net cash flow from the activities at Zgounder totaled $496,347;
- The average silver price realised was $21.88 during 2016 ($18.4 in 2015) versus an average silver price during the year of $22.70 (vs $20,05 in 2015);
- Upgrading of the mill installation continues, resulting in a substantial reduction of cyanide consumption and improvement in operating margins;
- The Corporation conducted piloting tests using flotation process resulted in a total silver recovery of 84% and the ordering of the full-scale flotation cell units and gravity plant.

CORPORATE OBJECTIVES FOR 2017

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;
- Undertake a 6,000 meter drilling program;
- Update resources and reserves calculation;
- Conduct a Preliminary Economic Assessment ("PEA") and a Pre-Feasibility Study ("PFS");
- Install the flotation cells units and proceed to implementation;

At the Boumadine Project:

- Initiate compilation works;
- Pursue metallurgical testing on the ore material and tailings;
- Initiate a PEA and PFS

Other properties

- Sustain minimum exploration work on some other properties

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. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the year ended December 31, 2016, the Corporation reported a net loss of $4,529,035 ($8,655,961 in 2015), a comprehensive loss of $3,841,913 ($9,652,095 in 2015) and has an accumulated deficit of $43,840,800 at December 31, 2016 ($39,167,625 as at December 31, 2015). As at December 31, 2016, the Corporation had a negative working capital of $1,833,069 ($10,197,494 at December 31, 2015), including cash of $4,266,854 ($376,327 as at December 31, 2015). Management estimates that these funds are not sufficient to meet the Corporation's obligations and budgeted expenditures through December 31, 2017. 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. Any funding shortfall may be met in the future in a number of ways including but not limited to, improved profitability and cash flow generation, the issuance of new equity, debt financing or other means. During the year ended December 31, 2016, the Corporation drew down US$6,000,000 from its debt agreement that was closed in 2015, raised $4,983,700 from the issuance of units (in 2015, the Corporation raised $1,600,400 from issuance of units) to finance exploration and evaluation programs, development of a mining property and for general corporate purposes.

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

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 ZMSM, 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 later 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

The Preliminary Economic assessment ("PEA") mineral resources press released of March 20, 2014 stood as base case measured resources total 1,400,000 ounces of silver (142,000 tonnes averaging 304 g/t), indicated resources are 4,600,000 ounces silver (400,000 tonnes averaging 357 g/t), inferred resources total 5,300,000 ounces of silver (353,000 tonnes averaging 463 g/t) using a cut-off grade of 125g/t Ag.

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 US$27.9 million (discounted at 6.5 per cent) at silver price of US$20.50 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 US$109.50 per tonne (averaged over the expected mine's life);
- Additional capex requirements total US$3.8 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 has been estimated on an "after-tax" basis.

Mineral Reserve Estimate as at May 22t, 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	US$/t	32.79
Mining dilution	%	10.00
Development	US$/t	10.79
Processing	US$/t	45.89
G&A	US$/t	8.54
Metal price	US$/oz	20.50
Metal price	US$/g	0.66
Process recovery	%	0.90
Cut-off grade	**g/t**	**166**

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 5th, 2014 which has been filed and is available for viewing and download on 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 Millennium Technical team has prepared a compilation and the statement report is dated March 27th 2017 and incorporate the information's at the end of February. From the report 39,337 tonnes at 364 g/t Ag for 460,455 ounces have been extracted from proven and probable reserves supported by the 2014 PFS which is still consider current. The remaining material processed at the mill up to now were not identified in the 2014 statement as not accessible at that time. The new mineralized zones identified with underground percussion drilling as well as 2015 surface diamond drilling as renewal of mineral resources will be officially incorporated in 2017.

The Corporation aimed at providing a PEA on a large-scale scenario and a PFS with reserves with update reports by November 2017 in accordance with NI 43-101.

Beginning of Zgounder Operations

On July 22th, 2014, the Corporation announced the beginning of the milling operations at the Zgounder Silver Mine in Morocco. The start-up was a significant milestone for future developments of the Zgounder Mine. The Zgounder Silver Mine was officially opened on September 20th, 2014.

Mine Operation and Production / Ramp-up period at Zgounder

During 2016, a total 58,585 tons (57,831 dry metric tons) were processed at an average grade of 345 g/t Ag for a production of 15,947kg of silver (520,605 ounces). The Zgounder Mine silver production is delivered to a refiner in Switzerland.

In 2015, 54,336 tons (52,863 dry metric tons) were processed at an average grade of 269 g/t Ag for a total production of 304,206 ounces of silver.

Operating and Financial Highlights

	Quarter ended				Year-ended	
	March 31, 2016 (unaudited)	**June 30, 2016 (unaudited)**	**Sept. 30, 2016 (unaudited)**	**Dec. 31, 2016 (unaudited)**	**Dec. 31, 2016 (unaudited)**	**Dec. 31, 2015 (unaudited)**
Material Processed (tons)	14,010	15,138	14,530	14,153	57,831	54,336
Average Grade (g/t Ag)	396	327	320	340	345	269
Mill Recovery (%)	78	80	81	81	80	71
Silver Ingots (kg)	4,347	3,987	3,752	3,861	15,947	9,536
Silver ounces produces (oz)	139,763	128,171	120,624	132,047	520,605	304,206
Sales of silver (oz)	167,193	125,839	79,582	118,669	491,283	279,944
Sales of silver ($)	2,755,324	3,245,903	2,016,203	2,733,184	10,750,614	5,150,424
Development expenses (excluding interest) ($)	2,129,707	2,285,338	1,716,655	3,449,588	9,581,288	5,074,537
Cash flow generated from the activities at the mine (excluding interest ($) (1)	625,617	960,565	299,548	(716,404)	1,169,326	75,887

(1) Cash flow generated from the activities at the mine is non-International Financial Reporting Standards (IFRS) performance measures, and may not be comparable to similar measures presented by other companies. The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, the Corporation and certain investors use this information to evaluate the Corporation's performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The cash flow generated from the activities at the mine are comprised of the Corporation's cash flow from investing activities without proceed from sales of marketable securities, variation of additions of property, plant and equipment not paid and interest capitalized.

The production (oz) and sales in Q4-2016 increase from the previous quarter primarily due to the increase of the average grade processed and to the increase of the recovery rate. The combined effect of these performance improvements resulted in a increase of 60% the metal production compared to the previous year.

The Corporation begin acquisition of flotation cells equipment in the last quarter of 2016 which principally explain the increase of the development expenses. These development expenses for the flotation cells will continue in the next months.

The following explains the increases of numbers for the year-ended December 31, 2016 as compared to the previous year:

Material processed (tons)	Since the process of old underground stockpile was terminated in late 2015, this give easy access to the area of the mining plan and increased the material processed in 2016
Daily material processed (tons)	An indication of the average tonnage of ore processed on a daily basis during the period.
Average grade (g/t)	The old underground stockpile was processed thereby allowing access to new areas to access to the identified zone of our mining plan and increase the grade of ore processed.
Production Ag (oz)	The higher production and grade as previously mentioned explain the increase.
Mill recovery (%)	The new investment following the visit of independent mining engineers in mid 2015 increased recovery.
Sales	The higher production and average price of silver in 2016 as compared to 2015 explain this increase.
Development expenses (excluding interest)	The expenses in 2015 include more exploration and development expenses as compared to 2016.

The Board of Directors still considers the Zgounder Mine in development stage despite the positive production results achieved. All criteria and thresholds established by the Board of Directors are not yet achieved to transfer in or warrant status as commercial production. The principal criteria not yet reach is the remaining capital expenses (mainly for the flotation cells) to be done at the mine. The Corporation had some delay for the acquisition and implementation of the flotation cells. With the EBRD and equity financings closed in 2016, this improvement project is now underway.

Forward looking information

Zgounder Silver Mine

The decision to commence production activities at the Zgounder Silver Mine during the development stage period was not based on a feasibility study of mineral reserves demonstrating economic and technical viability, but rather on a pre-feasibility study. Accordingly, there is increased uncertainty and economic and technical risks of failure associated with this production decision. Production and economic variables may vary considerably, due to the absence of a complete and detailed site analysis according to and in accordance with NI 43-101.

Underground Development

During the year, the Corporation increase development, exploration of the North Zone, Panel 8, level 2100m including percussion drilling, ore pass, raise and chute and enlargement of access drift.

Since the beginning of the mining operations, a significant portion of the material processed by the mill has been collected from muck-broken mineralized material left in the stopes at levels 2015 and 2035 by the previous mine operator. This mineralized material was of lower grade to that of the established mine resource, but it was necessary to process this material prior to mining rocks from defined mineralized panels. Since November 2015, the quantity of ore material extracted from delineated panels has increased with production. In December 2016, mineralized material was provided from six underground active sites: Stopes A, C, North Center, East Sector ZN Sector, Panels 8 and 9.

The Corporation collected and processed underground stockpiles to liberate access to levels 2000, 2015 and 2100 (Corps D zone, North Center zone, Northwest sector and Eastern sector) and to reach mineral reserves described in the mining plan. This operation explains in part the lower grade material processed in the past quarters in comparison to the PFS projections.

Discovery of Cu-Au-Ag-rich veins at the 2100 level

Recent mapping of the 2100 level gallery unearthed a new type of Cu-Au-Ag mineralization in a network of fractures comprised within a NNW-SSE-oriented deformation corridor affecting metamorphosed sandstones. The 2.5-4 m-wide zone filled by cm- thick mineralized quartz veins and fractures contains chalcopyrite, pyrite, covellite, galena, malachite, native silver and display Au, Ag and Cu concentrations of 5.51-8.57 g/t, 154-2658 g/t and 0.05-1.77 wt. %, respectively. The high assay values and presence of phyllic and supergene alterations justify more thorough investigations of this new type of mineralization at Zgounder.

Rock samples were collected from the mineralized corridor via systematic panel sampling. Samples were prepared and assayed at the Zgounder analytical facilities.

2017 Exploration Program

On April 19, 2017, the Corporation announce the 2017 exploration program which will consist of approximately 6,000 metres of diamond drilling, percussion drilling, geological mapping and geophysical survey for a global exploration budget of USD2M. The objectives of the drill program are twofold: refine the quality of the mineral resources to enable conversion to reserves as well as increasing the total amount of identified resources on the property for an analysis of a larger mining operating plan.

The Corporation in moving forward on its strategic development plans to increase its milling capacity from 187 tpd to 500 tpd by the beginning of 2018 with the development of its potential and additional resources surrounding the Zgounder Mine.

Based on the underground drilling over the years since the 2014 Pre-Feasibility Study ("PFS") and the 2015 surface diamond drilling program, the Zgounder Millennium Silver Mining technical team has identified a mineral target of 35 to 45 Million ounces of silver at a grade range of 125 to 150 g/t within 8 to 12 million tonnes above 50 g/t Ag. The potential quantity and grade reported as Mineral target, is conceptual in nature, as 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.

In 2015, the Corporation completed a successful drilling campaign. The primary target of the new drill program is to test the mineralization intersected in hole ZG-EXT-06 about 80m East of existing underground workings. The drill program aims at defining two mineral resources blocks from surface 2225m to the 2000m level. The complete drill program will be disclosed once compilation and integration of all underground drilling data will be assessed with the consultant.

Hole ZG-EXT-06 was aimed to test the eastern portion of the main zone. Highlights were as follow:

- 348g/t Ag over 19m (from surface to 19m) within an overall intersection of 228g/t Ag over 31.5m (from surface to 31.5m)
- 946g/t Ag over 4m (from 77m to 81m)
- 189g/t Ag over 3.5m (from174m to 177,5m)
- 172g/t Ag over 5m (from 200.5m to 205.5m)

The Corporation also intend to update the status of its mineral reserves-resources at the Zgounder Millennium Silver Mining Company ("ZMSM") operating the mine.

Flotation Cell Units

During the first quarter of 2015, trials were conducted to optimize mill performance and efficiency in the face of higher grade tailing. The Corporation also explored additional grinding capabilities and modified process flow sheet with the introduction of flotation prior to cyanidation. Tests performed in March 2016 with different various flotation chemicals and the latest tests achieved an encouraging flotation recovery of 87%. 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.

An internal analysis was conducted on May 2015 to validate the capability of sustaining a nominal capacity of 500 tonnes per day. The results were positive with some development work underground to be able to feed the mill.

The Corporation closed an equity financing in March 2016 and drew down an initial US$4.5M of the loan facility with EBRD. The flotation cells units acquisition and implementation process will begin in the next weeks. This is one of the last main criteria to achieve to bring Zgounder into commercial production.

The construction of the Flotation Cell Units was completed during the months of January and February 2017. The engineering and technical representatives of Maya inspected the cells and gave their approval of the completed work. The basic engineering and infrastructures related to the installation of the cell units at the Zgounder mine are completed and ready.

The Flotation Cell Units were packed into shipping containers and have been transported to the Zgounder Millenium Silver Mining site located in the Anti-Atlas Mountains of central Morocco. Management anticipates the Flotation Cells will be assembled, undergo testing, design basis and optimization during the year, and be commissioned before year end. The Management expects the Flotation Cell Units, once integrated to the processing circuit will increase the tonnage of the ore processed from 187 t/day to up to 500 t/day.

Exploration Permits

In July 2015, Zgounder Millenium Silver Mining obtained five strategic exploration permits at a nil cost in the surrounding of the Zgounder Mine, located in the Taroudant Province in Morocco. Each permit covers 16 square kilometres (4 x 4 km).

The permits are located in the periphery of the Askaoun intrusion which is a favorable structural context for the infiltration of hydrothermal fluids.

Boumadine project

In February 2013, the Corporation and L'ONHYM, a Moroccan state institution, entered into an Agreement for the Boumadine polymetallic deposit (the "Convention"). Under the terms of the Convention, the Corporation acquired 85% of the Boumadine project for total cash payments of $5,155,700 (43,000,000 dirham), including an initial amount of $719,400 (6,000,000 dirham) paid by Global Works, Assistance and Trading S.A.R.L ("Glowat"), a related party company acting as project manager, on behalf of the Corporation two months after initial due date; an amount of $812,400 (6,000,000 dirham) was paid in February 2014 by Glowat on behalf of the Corporation, $793,200 (6,000,000 dirham) originally payable in February 2015, a final payment of $1,322,000 (10,000,000 dirham) payable in February 2016 and an amount of $1,983,000 (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 will be established in Morocco under the terms of the Convention, a letter of credit amounting to $290,840 (2,200,000 dirham) will be subscribed by the Corporation to the benefit of OHNYM and all cash payments will be completed. During 2015, the Corporation and ONHYM agreed to postpone the third payment of $837,000 (6,000,000 dirham) until the end of December 2015 which should have been paid in February 2015. On February 2016, ONHYM and the Corporation agreed to postpone the third payment until the end of 2017 and the fourth payment until the end of 2018.

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 ($13,922) 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 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 was recorded as an acquisition of asset.

The balance of purchase price 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 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 assessment.

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.Geo from Geon Ltd., independent Qualified Person under NI43-101 standards. The complete report can be found on SEDAR at www.sedar.com and Maya's website at www.mayagoldsilver.com

The Corporation believes that Boumadine property possesses significant potential of discovering a new precious metal rich zone at depth.

The works carried out at Boumadine during 2016 concerned mainly to the development of the access road to, the construction of offices as well as the electricity supply. In 2017, this works will continue for the development of a base camp and following by the compilation and 3D digitization of the existing Boumadine database. The Corporation is planning to carry out a PEA and a PFS in accordance with available cash.

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 Permit 233263 for the next four years in accordance with the Moroccan Mining laws.

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.

In 2014, 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 based on cash availabilities. Management believes the fundamental outlook for that permit remains good for the future. However, 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 during 2014.

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 2015 the renewal by the Moroccan Mining Authorities of the Amizmiz permits PE183200, PE183201, PE183202 and PE183203, until May 16, 2019.

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 and on Maya's website at 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 based on cash availabilities. Management believes the fundamental outlook for that property remains good for the future. However, 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 during 2014.

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 Ouiselsat 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, 2019.

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	Mined	Grade	Possible reserves	Grade
	(T)	(t)	(% weight)	(t)	(% 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_3)	270,000 – 450,000	0.35 (WO_3)
Uranite zone	-	120	1 (U_3O_8)	-	-

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 based on cash availabilities. Management believes the fundamental outlook for that property remains good for the future. However, 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 during 2014.

FINANCING TRANSACTIONS

Private placements

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

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

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

In July 2016, the Corporation closed a non-brokered private placement through the issuance of 10,300,000 units of the Corporation at $0.13 per unit, for aggregate gross proceeds of $1,339,000. Each unit consists of one common share of the Corporation and one common share purchase warrant. Each warrant entitles its holder to purchase one additional common share of the Corporation at any time on or before June 2018 at an exercise price of $0.17.

In connection with the private placement, financing costs consisting of cash payments totaled $144,140.

In September 2015, the Corporation closed a brokered private placement at a price of $0.28 per unit for gross proceeds of $400,400. Each unit consists of one common share and one share purchase warrant of the Corporation. Each share purchase warrant will entitle the holder to purchase one additional common share at an exercise price of $0.35 for a period of 36 months from the closing date. The Corporation may accelerate the expiry time of the share purchase warrant if, at any time, the weighted average trading price of the common shares of the Corporation is equal to or above $0.70 per share for a period of 20 consecutive trading days.

On March 23, 2015, the Corporation 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 consists 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.

Loan financing

In September 2015, the Corporation and European Bank for Reconstruction and Development ("EBRD") signed a loan agreement for $8,304,000 (US$6,000,000). The disbursements under the loan were conditional to the closing by the Corporation of an equity financing of a minimum of $2,416,860 (US$1,800,000).

In March 2016, the Corporation partially completed the remaining condition for the disbursement of the loan with the closing of an equity financing. The Corporation and European Bank for Reconstruction and Development ("EBRD") reached an agreement to draw down an initial tranche of $6,042,150 (US$4,500,000) of the loan agreement.

In July, 2016, EBRD and the Corporation reached an agreement to draw down the final tranche of $2,014,050 (US$1,500,000) of the loan agreement.

The Corporation engaged fees amounting to $130,217.

The financing consists of a loan bearing an 8% interest payable semi-annually on September 30th and March 31st of each year. Additionally, a performance based interest ("PBI") in the amount equal to 2% of revenues up to US$26M, 1.5% from US$26M to US$35M and 1% above US$35M, as stated in the most recent annual audited financial statements, payable on May 31st of each year. During 2015, the Corporation paid a front-end commission of 0.5% of the loan (US$30,000, $41,520), which was charged to profit or loss.

The loan contains a market disruption clause that has been identified as an embedded derivative that is not closely related to the host contract. Therefore, such derivative should be accounted for initially and subsequently at each reporting date at fair value, with fair value variations charged to earnings. However, the fair value at inception and as at December 31, 2016 is not significant. The market disruption clause protects EBRD in case of a market disruption event, such event being defined in the loan agreement and being related to the LIBOR rate. If such event occurs, interest shall accrue on the loan at a rate equal to the rate which expresses as a percentage rate per annum the cost to EBRD.

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

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

The Corporation paid a restructuring fee of $20,141 (US$15,000) to EBRD.

Furthermore 4,000,000 share purchase warrants were issued to EBRD as restructuring cost upon acceptation by the regulatory authorities. Each warrant entitles its holder to purchase one additional common share of the Corporation at any time on or before November 2019 at an exercise price of $0.28. The Corporation may accelerate the expiry time of the warrants if, at any time, the weighted average trading price of the common shares of the Corporation listed on the Exchange is equal to or above $0.60 per share for a period of 20 consecutive trading days. The fair value of the warrants was estimated using the Black-Scholes option pricing model at the date of issuance and estimated at $166,800 and was accounted as share-based payments in the statement of comprehensive loss.

The Corporation used the following weighted average assumptions for this issuance of warrants:

	Year ended December 31, 2016
Exercise price ($)	0.28
Grant date market price ($)	0.14
Expected stock option life (years)	3
Expected volatility (%)	65
Risk-free interest rate (%)	0.76
Dividend yield (%)	-

If the Corporation fails to pay when due any amount payable under the loan agreement, the overdue amount shall bear interest at a rate equal to the sum of: (a) 2% per annum, (b) the PBI and (c) the interest rate per annum offered in the London interbank market.

The Corporation shall have the right at any time, on not less than 5 business days' prior notice to EBRD, to repay on any interest payment date all or any part of the principal amount of the loan then outstanding, providing that:

(1) EBRD shall have achieved the higher of:
   - (i) an annual internal rate of return of 18% and;
   - (ii) the sum of (x) 2% of the amount of the loan to be prepaid and (y) the accrued PBI for the years immediately preceding and including the year of repayment.

(2) The Corporation shall pay to EBRD at the same time all accrued interests and other amounts payable on the principal amount of the loan to be prepaid.
(3) In the case of a partial prepayment, such prepayment shall be in an amount of not less than US$2,000,000 and shall be applied to prepay the outstanding repayment instalments of the loan in inverse order of maturity.

The Corporation at all time after the first anniversary of the loan agreement, shall maintain a ratio on a consolidated basis of:

(i) Cash available for debt service for the twelve months ending on the date in respect of which the ratio is to be calculated plus opening cash and cash equivalents on the date exactly twelve months preceding the date in respect of which the ration is to be calculated, to:
(ii) Debt service during the twelve months ending on the date in respect of which the ratio is to be calculated, of not less than 1.2x.

Under the terms of the agreement, the Corporation shall not enter into any agreement or arrangement to acquire by lease the use of any property or equipment unless EBRD consent to. As at December 31, 2016 and 2015, the Corporation was in breach with respect to this covenant as the sale and leaseback transaction was concluded in December 2015 without prior approbation by EBRD.

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 US$6,000,000 ($8,056,200), of which US$3,500,000 ($4,699,450) was drawn immediately (the "Initial Facility"). The Initial Facility was 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 installments commencing on May 31, 2014 from the cash generated by the operations of ZMSM. In May 2015, the Corporation entered into an agreement amending the credit facility. Pursuant to an amendment to the facility agreement, the Corporation and the lender agreed to postpone the maturity date of the credit facility to October 31, 2015. The outstanding balance of the credit facility remaining was payable in consecutive monthly installments until maturity. The Corporation has further agreed to pay a cash fee equal to $60,422 (US$45,000).

In May 2015, the Corporation agreed to amend the terms of the option to convert any amounts due under the facility into a maximum of 1,500,000 common shares of Maya, at a price of $0.35 per share by extending the conversion period from January 31, 2015 to October 31, 2015.

In October 2015, the Corporation and the lender also agreed to delay the last three payments until January 2016.

Pursuant to the Facility Agreement six months after the date of the Facility Agreement, a further loan of $US2,500,000 ($3,460,000) with a twelve-month term was to be made available to the Corporation, for total facility of $US6,000,000 ($8,304,000). Under the terms of the Facility Agreement, the lender was granted a silver ounce fee of US$0.25 per ounce ($0.34 per ounce) of silver ingots delivered by ZMSM 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 favor 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.

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 US$140,000 ($187,978). In 2015 and 2016, some interest and other fees were paid from the reserve account. The balance is nil as at December 31, 2016 (US$ 26,132 ($36,167) as at December 31, 2015).

Obligation under finance lease

In December 2015, the Corporation concluded a sale and leaseback transaction whereby it sold mining assets under construction of a net book value of $418,500 as at transaction date for a consideration of $418,500 (3,000,000 dirham) and leased back these assets. The lease contract qualifies as a finance lease. Therefore, the assets were recognized in the consolidated balance sheet with a corresponding finance lease liability. The obligation bears interest at 6.31%, payable in monthly instalments of $9,371 (70,882 dirham) and maturing in December 2019.

Demand promissory note to a related party

In May 2015, the Corporation and Glowat signed a demand promissory note bearing interest at 6% per year representing the amount of the accounts payable and accrued liabilities due to Glowat and its creditors at that moment. The promissory note recognizes the amount due to Glowat and its creditors and is in line with the terms of the turn key agreement to develop the Zgounder project between the Corporation and Glowat. Pursuant to the promissory note the Corporation should use in whole or in part the product of further financings to pay Glowat.

Convertible debentures into common shares or silver ingots

In July 2015, the Corporation offered for a limited time to holders of the convertible debentures an incentive to convert their debentures before maturity into debentures shares (the "Debenture Shares") at a conversion price of $0.28 instead of in shares at $0.35. Each Debenture Share is composed of one common share and one common share purchase warrant; each share purchase warrant shall entitle its holder to subscribe one common share of the Corporation until July 15, 2018 at a price of $0.35 per share. The Corporation may accelerate the expiry time of the share purchase warrants if, at any time, the weighted average trading price of the common shares of the Corporation listed on the Exchange is equal to or above $0.70 per share for a period of 20 consecutive trading days.

In August 2015, the Corporation closed a first tranche of the conversion of outstanding convertible debentures and accrued interests. The Corporation issued 13,750,000 Debenture Shares for the conversion of outstanding convertible debentures in principal amount of $3,850,000 of $10,500,000 issued in 2013 and 2014.

Furthermore, the Corporation issued 791,155 Debenture Shares in settlement of accrued interests in the amount of $221,523 as of June 30, 2015 under the same conditions as mentioned above.

In September 2015, the Corporation closed a second tranche of the conversion of outstanding convertible debentures and accrued interests. The Corporation issued 12,857,143 Debenture Shares for the conversion of outstanding convertible debentures in principal amount of $3,600,000.

Furthermore, the Corporation issued 335,344 common shares at a price of $0.25 per share in settlement of accrued interests in the amount of $83,836 as of July 15, 2015.

As a result of the conversion of $7,450,000 convertible debentures and $305,359 accrued interests, the Corporation issued a total of 27,733,642 common shares and 27,398,298 share purchase warrants. All securities issued in connection with the conversion are subject to a statutory hold period of four months, expiring on December 5, 2015 and January 3, 2016.

At modification date, the Corporation recorded an expense in the consolidated statement of comprehensive loss of $5,625,000 representing the difference between the fair value of the consideration that the holders would receive upon conversion under the revised terms and the fair value of the consideration that the holders would have received upon conversion under the original terms, measured at the date when the terms were amended. The fair value of the consideration that the holders would have received upon the revised terms was measured using the number of shares to issue with the revised conversion price of $0.28 multiplied by the addition of the stock price of $0.25 representing the market value at the date when the terms has been modified and the fair value of the warrants. The fair value of the warrants was estimated using the Black-Scholes option pricing model at the date of issuance. The fair value of the consideration that the holders would have received upon conversion under the original terms was measured using the number of shares to issue with the original conversion price multiplied by the stock price of $0.25 representing the market value at the date when the terms were modified.

The Corporation used the following weighted average assumptions for all 2015 issuance of warrants:

	Year ended December 31, 2015
Exercise price ($)	0.35
Grant date market price ($)	0.25
Expected stock option life (years)	3
Expected volatility (%)	72
Risk-free interest rate (%)	0.37
Dividend yield (%)	-

At the conversion of interests into shares, an amount of $67,069 was allocated to the share capital representing the fair value of the shares at the conversion. The difference of $16,767 between the accrued interests and the fair value of the shares was recorded in the consolidated statement of comprehensive loss.

The Corporation completed in full of the convertible debentures following December 31, 2016.

OTHER EVENTS

Contingency

On July 2014, Société d'Exploration Géologique des Métaux ("SEGM") filed a lawsuit against the wholly-owned subsidiary of the Corporation in Morocco, alleging that SEGM, beneficiary of a 2.5% net smelter return royalty on the

Amizmiz property, suffered damage resulting from the Corporation not 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 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. During 2015, the court gave judgment in favor of the Corporation.

EVENT AFTER DECEMBER 31, 2017

In March 2017, the Corporation completed a private placement of 11,538,462 units at $0.13 per unit for a total cash consideration of $1,500,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Corporation at a price of $0.20 until September 2018. Four directors of the Corporation purchased a total of 10,384,616 units.

In March 2017, a director and officer of the Corporation acquired a portion of the liability owed to Glowat for an amount of $300,000. Subsequently, the Corporation repaid entirely the debt of $300,000 to this director and the liability of $300,000 to Glowat.

In January 2017, the Corporation has issued a letter of credit amounting to US$135,117 with a supplier.

EXPLORATION AND EVALUATION ASSETS

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

	December 31, 2016	December 31, 2015	December 31, 2014
	$	$	$
Salaries and benefits	-	-	43,359
Drilling and sampling	-	-	-
Geology and consulting	6,648	-	112,669
Supplies and others	-	-	-
Administrative	149,792	-	39,757
Depreciation	-	-	32,507
Foreign exchange	-	-	11,294
	156,440	-	239,586

At December 31, 2016

	Morocco	Total
	$	$
Exploration and evaluation assets		
Rights on mining claims	4,438,257	4,438,257
Deferred exploration and evaluation expenses	269,614	269,614
	4,707,871	4,707,871

As at December 31, 2016 and 2015, the Corporation performed an impairment test for the mining assets under construction. No impairment was required as at December 31, 2016 and 2015 following the completion of the impairment test.

The following table detailed the exploration and evaluation expenses per property incurred during 2016 and 2015:

	Zgounder		Boumadine		Amizmiz/ Azegour		Other		Total	Total
	December 31, 2016	December 31, 2015	**December 31, 2016**	December 31, 2015	**December 31, 2016**	December 31, 2015	**December 31, 2016**	December 31, 2015	**December 31, 2016**	December 31, 2015
	$	$	$	$	$	$	$	$	$	$
Geology and consulting	**-**	-	**6,648**	-	**-**	-	**-**	-	**6,648**	-
Administrative	**-**	-	**149,792**	-	**-**	-	**-**	-	**149,792**	-

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 has made an exploration program in 2015 on the Zgounder property.

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. Since Boumadine began exploration work in 2016 under an exploration program and that the balance of purchase price payable was postponed until the end of 2017 for the third payment and until the end of 2018 for the fourth payment, no impairment indicators was identified with respect to that property as at December 31, 2016.

SELECTED CONSOLIDATED INFORMATION

	December 31, 2016	December 31, 2015	December 31, 2014
	$	$	$
Statement of Financial position			
Cash	**4,266,854**	**376,327**	2,138,588
Property, plant and equipment	**19,299,124**	**20,755,099**	19,158,950
Exploration and evaluation assets	**4,707,871**	**4,551,431**	4,551,431
Total assets	**32,190,912**	**28,767,645**	28,355,868
Convertible and non-convertible debentures	**3,004,566**	**2,800,393**	8,843,767
Balances of purchase price payable	**3,621,637**	**4,290,268**	3,741,900
Long-term debt	**8,213,022**	**1,248,748**	2,523,575
Equity	**12,658,781**	**11,242,534**	6,442,728

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
	$	$	$
Expenses and other items			
Management and administration	**1,485,009**	**1,121,168**	2,226,390
Investor relations and corporate development	**208,243**	**285,420**	414,223
Impairment of exploration and evaluation assets	**-**	**-**	9,506,435
Royalties	**331,917**	**164,600**	-
Net profit interest	**454,711**	**102,728**	-
Impairment of marketable securities	**-**	**91,362**	-
Change in fair value of marketable securities	**-**	**14,908**	4,352
Loss (gain) on disposal of marketable securities	**(4,580)**	**-**	-
Change in fair value of derivative financial instrument	**-**	**78,712**	(51,331)
Loss (gain) on foreign exchange	**1,505,299**	**(1,227,186)**	869,263
Finance expense	**1,079,897**	**2,061,029**	2,320,569
Effect of convertible debentures modifications	**-**	**5,625,000**	-
Gain on extinguishment of debt	**(709,571)**	**-**	-
Income tax expense (recovery)	**178,110**	**338,220**	(433,576)
Net loss	**(4,529,035)**	**(8,655,961)**	(14,856,325)
Other comprehensive loss			
Change in foreign currency translation of foreign subsidiary	**(699,845)**	**1,041,341**	(7,596)
Change in fair value of marketable securities	**12,723**	**46,155**	58,382
Impairment of marketable securities - reclassification to the statement of income of the realized loss	**-**	**(91,362)**	-
Comprehensive loss	**(3,841,913)**	**(9,652,095)**	(14,907,111)
Basic and diluted net loss per common share	**(0.02)**	**(0.07)**	(0.13)
Cash flows			
Operating activities	**(4,662,424)**	**(3,531,166)**	(4,661,346)
Investing activities	**945,183**	**1,697,827**	(5,433,258)
Financing activities	**7,607,768**	**71,078**	12,075,782

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.

ACCOUNTING POLICIES

There is a full disclosure and description of the Corporation's accounting policies and changes in accounting policies in notes 3 and 4 of the audited consolidated financial statements for the year ended December 31, 2016.

MANAGEMENT AND ADMINISTRATION EXPENSES

	Year ended December 31, 2016	Year ended December 31, 2015	Year ended December 31, 2014
	$	$	$
Salaries and benefits	**573,261**	508,438	657,434
Consulting fees	**151,048**	130,084	206,500
Share-based payments	**251,800**	165,498	868,303
Office	**118,438**	85,597	174,589
Office Morocco	**205,142**	-	-
Professional fees	**142,282**	189,955	268,825
Reporting issuer costs	**43,038**	41,596	45,083
	1,485,009	1,121,168	2,226,390

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 in 2014, $5,150,424 in 2015 and $10,750,614 in 2016) and it's applied against the mining property under construction since the project is in development stage.

Year 2016 compared to 2015

During 2016, the Corporation incurred a loss of $4,529,035 ($0.02 per share) compared to $8,655,961 ($0.07 per share) in 2015. The decreased loss in 2016 is mainly attributable to reduction of finance expenses, gain on extinguishment of debt, no effect of convertible debentures modifications but partially offset by the increase of loss on foreign exchange as follows:

- In 2015, the Corporation incurred an expense of $5,625,000 representing the effect of convertible debentures modifications of terms;

- In 2016, the Corporation incurred an gain on extinguishment of debt of $709,571 representing the effect of extension of the terms of the balance of purchase payable;
- The Corporation recorded a loss on foreign exchange of $1,505,299 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 $1,227,186 in 2015);
- The Corporation recorded a finance expense of $1,079,897 in 2016 lower than 2015 mainly resulting from conversion of convertible debentures and repayment of the credit facility but partially compensate by the new loan ($2,061,029 in 2015);
- In 2016 the Corporation expensed royalties and net profit interest in the total amount of $786,628 in 2016 resulting of the increase of sales and production at Zgounder ($267,328 in 2015);
- In 2016, the Corporation increased the management and administration expenses since the growth of activities in Morocco;
- Deferred income taxes of $338,220 in 2015 (nil in 2015) related to recognition tax impact of convertible debentures conversion. The Corporation incurred income tax expense of $178,110 in 2016 related to withholding tax on intercompany transactions.

Year 2015 compared to 2014

During 2015, the Corporation incurred a loss of $8,655,961 ($0.07 per share) compared to $14,856,325 ($0.13 per share) in 2014. The decreased loss in 2015 is mainly attributable to impairment of exploration and evaluation assets in 2014, gain on foreign exchange in 2015, reduction of expenses in 2015 offset by effect of convertible debentures modifications 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 2015;
- In 2015, the Corporation incurred a expense of $5,625,000 representing the effect of convertible debentures modifications of terms;
- The Corporation recorded a gain on foreign exchange of $1,227,186 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 (loss of $869,263 in 2014);
- The share-based payments was significantly lower in 2015 than 2014 since no grant of options in 2015;
- In 2015, the Corporation reduced all the management and administration expenses and investors relations and corporate development resulting of the difficult mining market in 2015 and financial situation;
- The Corporation recorded a finance expense of $2,061,029 in 2015 lower than 2014 mainly resulting from conversion of convertible debentures and repayment of the credit facility ($2,320,569 in 2014);
- In 2015 the Corporation expensed royalties in the amount of $267,328 in 2015 resulting of the start of production at Zgounder. The expenses was nil in 2014;

- The Corporation incurred a loss on derivative financial instruments in 2015 of $78,712 (gain of $51,331 in 2014) related to the variation of the fair value of derivatives related to the Scipion loan and the put options contracted in 2014;
- The Corporation incurred a loss on marketable securities in 2015 of $106,270 ($4,352 in 2014) related to the decrease of the fair value of marketable securities and impairment;
- Income taxes of $338,220 in 2015 (recovery of $433,576 in 2014) related to recognition tax impact of convertible debentures conversion.

Financial position analysis

The principal variations of assets and liabilities are explained as follows:

- The sales taxes receivable increased in 2016 resulting of administration delays in Morocco to receive the reimbursement since ZMSM is a new incorporated company;
- The inventories increased in 2016 since the higher production in December 2016 was not totally sold at year end as compared to December 2015;
- Development work performed in 2016 on the Zgounder property and advances to suppliers for the flotation cells offset by the increase of silver sales resulting of a decrease of property, plant and equipment. Capital expenditures related to the required investment in flotation cells and development work at Zgounder were not completed in 2016 resulting in the higher sales than development work;
- The account payable and accrued liabilities decreased by $452,221 as at December 31, 2016 as compared to December 31, 2015 mainly due to repayment made in 2016 resulting of the increase of cash following the financings occurred in 2016;
- The demand promissory was completely repay in 2016. See Related party transaction for detail of transactions incurred in 2016;
- Repayment of $830,248 in 2016 for the credit facility and new loan amounting to $7,923,834;

SELECTED QUARTERLY INFORMATION

Quarter ended	Accounting policies	Revenues	Net loss	Net loss per share (basic and diluted)
		$	$	$
December 31, 2016 (8)	IFRS	-	(1,807,474)	(0.02)
September 30, 2016 (1) (9)	IFRS	-	(530,822)	(0.00)
June 30, 2016 (2) (10)	IFRS	-	(1,674,693)	(0.01)
March 31, 2016 (3) (11)	IFRS	-	(516,046)	(0.01)
December 31, 2015 (4) (12)	IFRS	-	(515,040)	(0.01)
September 30, 2015 (5) (13)	IFRS	-	(5,425,236)	(0.04)
June 30, 2015 (6) (14)	IFRS	-	(1,010,687)	(0.01)
March 31, 2015 (7) (15)	IFRS	-	(1,704,998)	(0.01)

(1) Includes share-based payments of $166,800.
(2) Includes share-based payments of $251,800.
(3) Includes gain on extinguishment of debt of $709,571.
(4) Includes negative change in fair value of derivative financial instrument of $20,627 and share-based payments of $600.
(5) Includes positive change in fair value of derivative financial instrument of $13,781 and share-based payments of $1,322.
(6) Includes the negative change in fair value of marketable securities of $10,393, negative change in fair value of derivative financial instrument of $22,700 and share-based payments of $24,769.
(7) Includes the negative change in fair value of marketable securities of $4,515, negative change in fair value of derivative financial instrument of $49,166, share-based payments of $69,807 and impairment of marketable securities of $91,362.
(8) Revenues of $2,733,184 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(9) Revenues of $2,016,203 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(10) Revenues of $3,245,903 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(11) Revenues of $2,755,324 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(12) Revenues of $761,871 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(13) Revenues of $1,323,142 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(14) Revenues of $1,840,382 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(15) Revenues of $1,225,029 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, 2016, the Corporation incurred a net loss of $1,807,474 ($0.01 per share) compared to a net loss of $515,040 ($0.01 per share) during the same period in 2015. The increased of loss in the 2016 period was mainly attributable to:

- The Corporation recorded a loss on foreign exchange in 2016 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 in 2015);
- Finance expenses increased in the fourth quarter of 2016 due to the drawdown of the EBRD loan;
- The share-based payments were significantly higher in 2016 than 2015 since the warrants issued to EBRD as restructuring cost;
- The overall management and administration expenses and investors relations increased resulting of more activities.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation had negative working capital $1,833,069 as at December 31, 2016 ($10,197,494 as at December 31, 2015). The increase in working capital is mainly due to the use of funds from financing activities to repay the demand promissory note to a related party, the credit facility, the accounts payable and accrued liabilities. The extension of terms to the balance of purchase price payable increase the working capital.

During the year 2016, the Corporation completed financings for a net amount of $4,983,700. Terms of the financings completed in 2016 are described in the 2016 financing section.

The Corporation also made payments amounting to $940,017 with respect to the credit facility. Terms of the credit facility are described at note 10 of the financial statements.

The Corporation also paid off entirely the demand promissory note due to a related party. See related parties' transactions for further 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.

	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)	2,294,657	2,294,657	2,294,657	-	-
Interest and net profit interest due to a related party	607,324	607,324	607,324	-	-
Balance of purchase price	3,621,637	4,098,200	2,776,200	1,322,000	-
Loan	7,923,834	12,791,097	1,047,843	1,375,999	10,367,255
Obligation under finance lease	289,188	327,970	112,447	112,447	103,076
Convertible Debentures	3,004,566	3,050,000	3,050,000	-	-
	17,741,206	23,169,248	9,888,471	2,810,446	10,470,331

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, long-term debt and convertible 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, 2016, capital is $23,876,369 ($15,291,675 as at December 31, 2015). 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, 2016 except to add the long-term debt to the managed capital. Loan was contracted during 2015 but the amount was disbursed in 2016 (Note 10). 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, 2016, the Corporation had a commitment under the terms of a lease for office premises and office equipment ending in May 2017 of $16,440.

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 to ONHYM on revenue from the Zgounder property ($331,917 (2,456,825 dirhams) for the year ended December 31, 2016 ($164,600 (1,255,538 dirhams) for the year ended December 31, 2015))
- 3.0% royalty to ONHYM on revenue from the Boumadine property

Net profit interest

Zgounder

The Board adopted a resolution approving the payment to Glowat, a related party, 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.

Letter of credit

Zgounder

ZMSM has letters of credit amounting to $1,608,763 (US$1,198,155 (2,068,000 dirham as at December 31, 2015) with suppliers and bank guarantees of $180,876 (1,368,200 dirham) with suppliers.

RELATED PARTY TRANSACTIONS

In the normal course of operations, for the years ended December 31, 2016 and 2015:

- Glowat, a Moroccan private company owned by a close relative of an officer and director of the Corporation, charged as part of a project management agreement, management and service fees of $19,454 which were capitalized to mining assets under development in property, plant and equipment ($147,893 in 2015), a royalty of $454,711 ($102,728 in 2015) and an interest of $167,651 ($263,352 in 2015).
- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to $28,838 recorded as professional fees and $84,845 as issuance cost of shares and debt. ($74,219 in 2015 recorded as professional fees and $26,844 as issuance cost of shares and debt);
- A company controlled by a director of the Corporation, charged fees of $4,500 recorded as consulting fees in 2016 (nil in 2015);
- An officer of the Corporation charged consulting fees of $125,000 ($125,000 in 2015).

As at December 31, 2016, the Corporation had advanced an amount of $80,477 ($92,881 in 2015) to officers who are also directors of the Corporation. These advances are non-interest bearing and repayable on demand.

During the year ended December 31, 2016, the Corporation payed $4,862,143 to Glowat as repayment of promissory note (advanced $460,170 for exploration and evaluation work and property, plant and equipment in 2015). As at December 31, 2016, the Corporation has a liability to Glowat amounting to $607,324 (4,593,979 dirham). As at December 31, 2015, the Corporation had a liability of $4,724,315 (33,866,060 dirham). The amount paid by Glowat in 2015 for the benefits of the Corporation amounted to $53,765 (nil in 2016 related to acquisition of property, plant and equipment and exploration and evaluation expenses.

As at December 31, 2016 the balance due to the related parties (excluding the amounts due to Glowat which are presented separately in the consolidated statement of financial position under "Demand promissory note due to a related party" and '' Interest and net profit interest payable to a related party'') amounted to $80,166 ($207,650 in 2015) recorded in accounts payable and accrued liabilities.

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

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

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

In May 2015, the Corporation and Glowat signed a demand promissory note bearing interest at 6% per year representing the amount of the accounts payable and accrued liabilities due to Glowat at that moment. The promissory note recognizes the amount due to Glowat and is in line with the terms of the turn key agreement to develop the

Zgounder project between the Corporation and Glowat. Pursuant to the demand promissory note, the Corporation should use in whole or in part the product of further financings to repay Glowat.

Remuneration of key management personnel of the Corporation

Key management includes 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:

	Year ended December 31, 2016	**Year ended December 31, 2015**
	$	**$**
Director fees	53,000	39,500
Salaries	623,180	535,980
Consulting fees	258,138	373,956
Share-based payments	251,800	165,498
	1,186,118	1,114,934

INFORMATION ON SHARES OUTSTANDING

As at April 24, 2017, the outstanding securities are as follows:

Common shares	210,878,076
Warrants	85,125,060
Share purchase options	8,210,000

FINANCIAL RISK FACTORS

There is a full disclosure and description of the Corporation's financial instruments, financial risks and capital management in notes 17 and 18 of the audited consolidated financial statements for the year ended December 31, 2016.

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 24, 2017. Additional information on the Corporation is available through regular filings of press releases and financial statements available on SEDAR (www.sedar.com) and on the Corporation's website (www.maya.com).

CORPORATE INFORMATION

Board of Directors

Réjean Gosselin, Chairman (2) (4)
John G. Booth (1) (2) (3)
René Branchaud (3)
Guy Goulet
Noureddine Mokaddem (4)
R. Martin Wong (1) (2)
Robert Taub (1)
Éric Swenden
Nikolaos Sofronis

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

Officers

R. Martin Wong
Interim Chief Executive Officer

Noureddine Mokaddem
President and
Chief Operating Officer and
President of Maya Maroc S.A. and Zgounder Millenium Silver Mining S.A.

Alain Lévesque
Chief Financial Officer

René Branchaud
Secretary

Auditors

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Transfer Agents

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