Maya Gold & Silver Inc.

Management's Discussion and Analysis

Six-month period ended June 30, 2017

MAYA GOLD AND SILVER INC
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2017

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 August 24, 2017, covers the six-month periods ended June 30, 2017 and 2016 and should be read in conjunction with the Corporation's unaudited condensed interim consolidated financial statements and related notes for the six-month period ended June 30, 2017 (the "June 30, 2017 condensed interim consolidated financial statements") and the audited consolidated financial statements for the year ended December 31, 2016 (the "December 31, 2016 consolidated financial statements").

The Corporation's June 30, 2017 condensed interim 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").

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The condensed interim 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 their functional currency.

The Corporation's management is responsible for the preparation of the condensed interim 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 condensed interim 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 condensed interim consolidated financial statements to the Board of Directors for their examination and approval on an annual basis. The Board of directors approved the unaudited condensed interim consolidated financial statements on August 25, 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 a 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 developing 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, Azegourand La Campaña properties and the Mining permit No 233263 were written down for accounting and reporting purposes to nil in 2014 because no available financing was available in the near term to invest in exploration activities in these properties, as such, 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 213,371,409 common shares on August 25, 2017. To date, while the Corporation has begun to earn revenues during the last three fiscal years at it's Zgounder project it still considers the project to be in the development stage. All other projects are in exploration and evaluation stage. The Zgounder project has not yet met all the criteria to advance to the commercial production including the use of a flotation cells process, as intended by management.

HIGHLIGHTS, OUTLOOK AND SELECTED FINANCIAL INFORMATION

2017 – Corporation's highlights for the six-month period ended June 30, 2017

- In March, 2017, the Corporation closed a $1.5 million non-brokered private placement of units.
- In April, 2017 the Corporation repaid at Maturity the CAD$3.05M 8% Unsecured Convertible Debentures from Surplus Cash From Its Zgounder Silver Mine

Zgounder Silver Mine 2017 Highlights

Zgounder Silver mine production highlights during the six-month period ended June 30, 2017 include:

- Silver production of 8,694.9 kg of silver (279,548 ounces) an 4.34% increase from the first half period of 2016;
- Revenue from silver in the six-month period ended June 30, 2017 totalled $6,470,653 (2016 - $6,001,227) and the development cost incurred during the period, excluding capitalised interest, amounted to $5,064,831 (2016 – 4,415,045).
- The net cash flow generated from the activities at Zgounder, before capitalised interest, totaled $1,405,822 (2016 - $1,586,182) and was accounted for against Property, plant and equipment since the Company had not yet reached the commercial phase of this property
- The average silver price realised during the six-month period ended June 30, 2017 was US$17.47 (2016 - US$16.87) versus an average market silver price during the same period of US$17.33 (2016 - US$15.80);
- The Flotation Cell Units have arrived at the Zgounder Millenium Silver Mining ("ZMSM") site and the civil engineering works is in progress.
- In April 2017, Maya engaged an independent firm GoldMinds Geoservices Inc., ("GMG"), to assist and supervise the exploration campaign at Zgounder, which will be followed by a new reserve estimation of silver resource with a report compliant with NI-43-101;
- The Corporation reports exceptionally drill intercepts from its exploration program at the Zgounder Silver Mine;
- Ruby Silver Ore (Proustite) Identified at Zgounder;
- In June 2017, Maya mandated GMG to conduct a Preliminary Economic Assessment on the Boumadine polymetallic deposit.

Event after June 30, 2017

- 2,493,333 Common Share purchase warrants were exercised for a total amount of $374,000

CORPORATE OBJECTIVES FOR 2017

The following is a summary of Maya's corporate objectives and strategies:

<u>At the Zgounder Silver Mine the Corporation intends to:</u>

- Ramp-up production while optimizing operations;
- Complete a 6,000 metre drilling program;
- Upgrade the inferred mineral resources into measured and indicated categories;
- Update resources and reserves calculations;

- Conduct a Preliminary Economic Assessment ("PEA") and a Pre-Feasibility Study ("PFS");
- Install the flotation cells units and proceed to implementation to be completed before year-end 2017;
- Start commercial phase during Q2-2018

<u>At the Boumadine Project:</u>

- Initiate data compilation works in 3D;
- Pursue metallurgical testing on the ore material and tailings (comparison between roasting and pressure oxidation);
- Initiate a PEA and PFS work

<u>Other properties</u>

- Sustain minimum exploration work on some other properties

GOING CONCERN

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

For the six-month period ended June 30, 2017, the Corporation reported a net loss of $1,424,964 [2016 - $2,190,739] and a comprehensive loss of $1,677,086 [2016 - $1,567,483]. As at June 30, 2017, the Corporation had an accumulated deficit of $45,286,041 [December 31, 2016 - $43,840,800] and a negative working capital of $1,034,182 [December 31, 2016 - $1,833,069], including cash of $2,153,369 [December 31, 2016 - $4,266,854]. Management estimates that these funds will not be sufficient to meet the Corporation's obligations and budgeted expenditures through the next 12 months. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its existing commitments, including future payments to acquire mineral properties and conduct minimum exploration and evaluation programs, pursue its mining development at Zgounder and pay for general and administration costs.

Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity, debt financing or other means. During the six-month period ended June 30, 2017, the Corporation raised proceeds of $1,500,000 from the issuance of units (2016 - $3,644,700 from the issuance of units and US$4,500,000 drawn down from its debt agreement that was closed in 2015)) to finance exploration and evaluation programs, development of a mining property and for general corporate purposes.

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

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.

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 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.

<u>Highlights of the Zgounder Silver Mine PFS Study include:</u>

- 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 22, 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).

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

Parametres	**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 news 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.

In addition to the mineral resource and reserves described herein and within previous news 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 metres eastward with no drilling beneath. The potential quantity and grade reported as "Mineral Potential", is conceptual in nature and 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.

ZMSM technical team has prepared a compilation and the statement report is dated March 27th, 2017 which incorporates the information 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 March 31, 2017 were not identified in the 2014 statement as not accessible at that time. The new mineralized zones identified with underground 2016 percussion drilling as well as 2015 surface diamond drilling as renewal of mineral resources will be support by the mineral resources re-estimated by late 2017.

The Corporation aims to provide a PEA on a large-scale scenario and a PFS with a new reserve estimation by November 2017. Once the statement is complete it will be followed by a technical report as per 43-101 guidelines.

Operating and Financial Highlights

	Three-months ended			Six-months ended		
	June 30, 2017 (unaudited)	June 30, 2016 (unaudited)	% Variation	June 30, 2017 (unaudited)	June 30, 2016 (unaudited)	% Variation
Material Processed (tons)	**13,472**	15,138	-11.01	27,830	29,148	-4.52
Average Grade (g/t Ag)	**350.68**	327	7.24	366.08	360.21	1.63
Mill Recovery (%)	**84.49**	80.38	5.11	**85.34**	79.34	7.56
Silver Ingots (kg)	**3,991.61**	3,986.55	0.13	**8,694.9**	8,333.66	4.33
Silver ounces produced (oz)	**128,333**	128,171	0.13	**279,548**	267,933	4.34
Sales of silver (oz)	**115,571**	123,622	-6.51	**276,659**	262,550	5.37
Sales of silver ($)	**2,871,507**	3,245,903	-11.53	**6,470,653**	6,001,227	7.82
Development expenses (excluding interest) ($)	**2,045,196**	2,285,338	-10.51	**5,064,831**	4,415,045	8.61
Cash flow generated from the development activities at the mine (excluding interest ($) (1)	**826,311**	960,565	-13.98	**1,405,822**	1,586,182	-11.37

(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 development activities at the mine derived from the Corporation's cash flow from investing activities, acquisitions of property, plant and equipment, less Silver sales.

The Corporation acquired 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 quarters.

The following explains the changes in numbers for the second quarter ended June 30, 2017 as compared to the previous quarter:

Production Ag (oz)	The higher recovery and higher head grade explains mainly the increase.
Mill recovery (%)	A better control of milling equipment such as the thickeners
Sales	The higher production and average price of silver in 2017 as compared to 2016 explain this increase.
Development expenses (excluding interest)	The expenses in 2017 include more exploration and development expenses as compared to 2016 in view of increasing the production rate to 500 tpj

The Corporation still considers the Zgounder Mine in development stage despite the positive production results achieved. The criteria and thresholds established by the Company have not yet been achieved to justify the transfer of into commercial production. Despite that the property is presently generating positive cash flows, the asset is not operating in the manner intended by management. The principal criterion not yet satisfied is the completion of the capital expenditure program (mainly the installation of flotation cells) at the mine. The Corporation has experienced some delays for the acquisition and implementation of the flotation cells. With the proceeds of the European Bank for Reconstruction and Development (EBRD) and equity financings closed in 2016, this capital expenditure project is now underway. Management expects that the commercial production will start in the beginning of Q2-2018.

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.

2017 Exploration Program - Zgounder

In April 2017, the Corporation initiated its 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 Zgounder exploration program are fourfold: i) develop and upgrade inferred mineral resources into measured and indicated categories; ii) continue to prove the hypothesis that widespread mineralization occurs across the known deposit; iii) explore lateral extensions of the known deposit to the North and to the East and iv) explore possible extensions to the known deposit at depth.

The Corporation is also moving forward with its strategic development plans to increase its milling capacity from 187 tpd to 500 tpd by the beginning of the Q-2 2018 and the development of its potential and additional resources surrounding the Zgounder mine. Since the beginning of the exploration program, the Corporation announced the following developments:

Zgounder Underground Development Highlights

- Completion of the validation and compilation of the 2016 & 2017 percussion hole results, which indicates a new mineral zone to the north east of Corps D above the 2100 elevation level, the zone has a complex geometry and is subvertical;
- During the first half of 2017, underground exploration and development consisted of 4,250 metres of percussion drilling in nine mine workings. All holes intersected silver mineralisation from low grade up to kilograms per tonne.
- Underground percussion drilling within two chutes inside panels 5y et 6y allowed the definition of one panel with a tonnage of 12,170 t at an average silver grade of 426 ppm.
- Indications of a non extracted mineral zone at the 1975 level, which can be included in the update of the 2013 resource estimate identified as Corps B.
- The gold focused percussion drilling structure test program into a gold anomaly zone at the 2100 level has not shown evidence of gold economic grades by Fire assay. Additional investigation of the analyses gold structure is required and will be pursued at a later date.

Highlights of the new zone (North East Extension Corps D above 2100) are:

- 2100-T28-17-64 intersect **2376 g/t Ag over 13.2m** from 0 to 13.2m*
- 2100-T28-17-66 intersect 247 g/t Ag over 4.8m from 0 to 4.8m
- 2100-T28-17-88 intersect 325 g/t Ag over 4.8m from 0 to 4.8m
- 2100-T28-17-84 intersect **1071 g/t Ag over 6.0m** from 0 to 6m
- 2100-T28-17-49 intersect 273 g/t Ag over 3.6m from 0 to 3.6m
- 2100-T28-17-50 intersect **1111 g/t Ag over 2.4m** from 0 to 2.4m

* The true length (thickness) of mineralisation is longer than the disclosed 13.2 length as well the other smaller intersections disclosed are portions of the mineralisation. The mineralized zone is of irregular shape and is sub-vertical. This situation applies to most of the mineral intersections. None of these holes have intersected from one side to another the mineralized zone.

The Corporation received supported results by independent analysis in Canada at Bourlamaque Laboratory in Val d'Or Quebec for the 2100-T28-17-64 from 10 of the 11 samples which runs 2.63 Kg/t Ag over 12m by Fire Assay (as previously disclosed 2.3 Kg/t Ag on 13.2m runs 2.6 Kg/t Ag over 10m).

Drilling between levels on the Y6 body to validate continuity and verify geometry prior to extraction, material in place and highlights on the 2100 are:

- 2100-T28-17-56 intersect **587 g/t Ag over 8.4m from 8.4 to 16.8m**
- 2100-T28-17-55 intersect **758 g/t Ag over 13.2m from 0 to 13.2m**
- 2100-T28-17-54 intersect **1006 g/t Ag over 4.8m from 0 to 4.8m**
- 2100-T28-17-53 intersect 107 g/t Ag over 13m from 3.6 to 16.8m

In July 2017, the Corporation announced additional percussion drilling program (T-28) of 54 holes at surface to extent the mineralization recognized underground in order to allow extension near surface to complete the mineralized blocks is being put in place in complement of the existing diamond drill hole program and underground percussion holes.

The planned T-28 program will test the extent of intersection of ZG-Ext-012 previously announced (June 11 and July 25, 2015). The hole intersected **10 metres core length at 1098 g/t Silver** from 31.3 to 41.3 metres, drilled at -65 degrees at 340N. These holes should enable the evaluation of geometry and true thickness of the mineralized zone.

Drillhole 2000-T28-17-124 intersected **3809 g/t Ag over 18 meters** from 3.6 to 21.6 meters. This new intersection includes higher grade intervals including **9430 g/t over 7.2m** from 4.8 to 12m and including **51.6 Kg/t Ag* (51630 g/t or 5.16% or 1660 Oz/t Ag) over 1.2 metres** at 6m. This percussion drillhole collared in a manway at elevation 2016mZ in the north sector within Panel 8. Which represent the highest intersection ever drilled by Maya. Moreover, the independent laboratory Analyse Development Minier S.A.R.L. based in Marrakech supports the disclosure with respectively 5.61%/t and 5.43%/t Silver on witness pulp.

Hole 2000-T28-17-120 drilled to the North West has intersected **907 g/t Ag over 3.6m** including **1431 g/t Ag over 1.2m** and appears to be part of an individual structure in Panel 8.

Hole 2000-T28-17-125 drilled North East has intersected high grade mineralization of 523 g/t Ag over 1.2m about 2.5m north of the drillhole 2000-T28-17-124. The hole 125 intersect 195 g/t Ag over 10.8m with higher grade intervals including 355 g/t over 3.6m including 537 g/t over 1.2m. In the same sector holes 2000-T28-17-119, 120, 121 and 122 did not intersect high grades silver. It is our understanding that hole 2000-T28-17-124 has intersected a junction of mineralized structures. An East-West with a North-South and a flat structure.

* Uncut Ag results. (20smp)* the 51630 g/t is the average of 20 analysis ranging from 4.41% to 5.79% Ag, 10 from original powder at the laboratory and 10 from the witness powder from the geology department.

Length are drill length, additional drilling is required to define the exact geometry of this irregular shape of high-grade, true widths are believed to be 70 to 95% of the length intersections. These percussion drillholes are collared in a manway at elevation 2016mZ in the north sector within Panel 8. The attached map shows the percussion holes and the drift perimeters at the 2000 level in black and mineralization outline in red and green. It is important to mention that 60metres of virgin ground exist above these intersections prior to contact with surface and zone is open at depth.

Quality Control / Quality Assurance (QA/QC)

Results produced at the mine laboratory which includes of blanks and standards as normal control procedures. External independent samples will be taken as part of the new program for the mineral resource update of 2017. The results are considered to be reliable for disclosure as laboratory procedures and QA/QC was reviewed in previous assignment.

For the results includes blanks and standards as normal control procedures. External independent samples have been taken as part of the new program for the mineral resource update of 2017. The results are considered to be reliable for disclosure as laboratory procedures and QA/QC was reviewed in previous assignment. Assay are not capped, Ag by AA and by 15 grams Fire assay with gravimetric finish, thickness intersected are variable according to the Cut Off Grade applied for large scale mining or selective mining scenario.

Zgounder Surface Exploration and Development

As of June 30, 2017, the exploration team has completed the compilation of the 12 diamond drill holes totalling 2,290 metres. Out of these holes, seven were drilled in the Eastern extension, while five others were drilled in the Center and North portion. Some results are pending and will be disclosed ounce validated and interpreted.

The Corporation announced partial results for its 2017 spring diamond drill program at Zgounder. These diamond drill holes have been prepared and assayed at the independent laboratory Analyse Development Minier S.A.R.L. based in Marrakech.

Hole ZG-Ext6-17-S10 drilled to the North East at minus 60 degrees has intersected **312 g/t Ag over 3m** from 0 to 3 metres and has intersected **1314 g/t Ag over 9m** from 12 to 21m including **3807 g/t Ag over 3m** from 13.5 to 16.5m and appears to be part of a new structure to the East adjacent to ancient workings. Core length, values uncut, true thickness is estimated to be 70% of intersection, partial results.

Hole ZG-Ext6-17-S1 drilled South South East at minus 45 degrees has intersected 62 g/t Ag over 18 metres from 0 to 18m including 247.5 g/t Ag over 3 meters from 0 to 3m.

Uncut Ag results. Length are drill length, additional drilling will be needed to establish the exact geometry of this new zone to the East, true widths are believed to be 70% of the length intersections. Other results have been received from laboratory, once compiled and validated they will be disclosed.

The Corporation has received an IOS Services Geoscientific certificate on the mineral identification of the reddish crystalline mineral (red silver literally named Ruby Silver Ore) Proustite Ag_3AsS_3. This mineral is observed in the cores as well as in underground faces and drifts occasionally. A sample was taken by Goldminds and brought to Canada for identification by Scanning Electron Microscopy (SEM/MEB) at IOS mineralogical facilities in Saguenay Quebec.

Quality Assurance / Quality Control (QA/QC)

The samples were analyzed by at the independent laboratory Analyse Development Minier S.A.R.L. The core sample are crushed to have d80 passing 2mm and afterward riffle split to have 100grams which is pulverized to have a pulp d80 of 75 microns Multi acid digestion and Atomic Absorption reading. Fire assay is used for high grade silver sample.

Flotation Cell Units

The Corporation conducted test 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. Test performed in March 2016 with different various flotation chemicals and the latest tests achieved an encouraging flotation recovery of 87%. Tests objectives were 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 supported the strategy of increasing the capability of sustaining a nominal capacity to 500 tonnes per day.

With the closing of an equity financing in March 2016, the Corporation drew down an initial US$4.5M of the loan facility with EBRD. The flotation cell units were ordered and their installation is now underway. This is one of the last remaining criteria to be achieved to bring Zgounder into commercial production.

The arrival of the Flotation Cell Units was completed during the first quarter of 2017. The basic engineering and infrastructures related to the installation of the cell units at the Zgounder mine are well advanced.

Management anticipates the Flotation Cells, installation will be completed, undergo testing, and optimization during the beginning of 2018, and be commissioned before the end of Q1 2018. 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, ZMSM 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 43,000,000 dirham ($5,155,700), comprising the following instalments:

- 6,000,000 dirham ($719,400) paid by Global Works, Assistance and Trading S.A.R.L ("Glowat"), a related party company acting as project manager (Note 13), on behalf of the Corporation,
- 6,000,000 dirham ($812,400) also paid in February 2014 by Glowat on behalf of the Corporation,
- 6,000,000 dirham ($805,800) originally payable in February 2015 but now postponed to December 2017,
- 10,000,000 dirham ($1,343,000) originally payable in February 2016 but now postponed to December 2018, and
- 15,000,000 dirham ($2,014,500) which relates to past expenses incurred by the seller which are payable on demand or, at the seller's request, can be applied as a capital contribution of the future company to be created.

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

- a separate company owned at 85% by the Corporation and 15% by ONHYM has been established in Morocco under the terms of the Convention,
- all cash payments have been completed.

In February 2016, ONHYM and the Corporation agreed to postpone the third payment until the end of 2017 and the fourth payment until the end of 2018.

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 ($13,430) 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 did not meet the definition of a business as the property did not have ore reserves nor 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 June 2017, Maya mandated Goldminds to conduct a PEA on the Boumadine polymetallic deposit by the end of the year.

The GMG work program will consist with the compilation and computerization of historical information, followed by a field work program including but not limited to verification diamond drilling, trenches, geophysical surveys, and historical tailing sampling. This will be followed by mineral resources estimation and completion of a PEA compliant with the NI 43-101 standards.

The works carried out at Boumadine concerned mainly to the development of the access road to, the construction of offices as well as the electricity supply. Compilation and computerization of historical data have been initiated.

Furthermore, the ZMSM has pinpoint two positive processing scenarios to recover the gold and silver at Boumadine by Roasting or Pressure Oxidation.

The Corporation also received some commercial proposals for the implementation of the future unit of treatment of mineral waste.

Other exploration and evaluation properties

Management plans to execute further exploration and evaluation activities on permit 233263, Amizmiz, Azegour, and Touchkal properties when adequate financing will be available. Management believes the fundamental outlook for those properties remains good, but the cost of these properties and related exploration and evaluation assets were written down in 2014 as there were no expected available financing in the near term to invest in exploration activities. All efforts and financial resources are currently invested in the development and exploration of the Zgounder and Boumadine properties.

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. The regulatory investigation his currently conducted by the Ministère de l'Énergie, des Mines, de l'Eau et de l'Environnement du Maroc (Moroccan Mining Authorities) for the permit renewal.

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.

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.

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.

FINANCING TRANSACTIONS

Financing transactions during the six-month period ended June 30, 2017

Private placements

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

Convertible Debentures

During the six-month period ended June 30, 2017, all remaining convertible debentures reached maturity and as at March 31, 2017 the conversion rights associated with all of the remaining unpaid convertible debentures had expired. Accordingly, on March 31, 2017, the Corporation transferred the balance in Equity component of convertible debentures in the condensed interim consolidated statement of changes in equity, amounting to $2,013,721, to contributed surplus. All outstanding convertible debentures were redeemed during April 2017.

Other transactions

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

Financing transactions during the six-month period ended June 30, 2016

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.

Loan financing

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 the lender reached an agreement to draw down an initial tranche of US$4,500,000 of the loan agreement of US$6,000,000 that was closed in September 2015.

Credit facility

In January 2016 the Corporation and the lender agreed to delay the remaining balance in six equal payments until July 2016. The credit facility was fully paid as at June 30, 2016.

Demand promissory note to a related party

In March 2016, a director of the Corporation acquired a portion of the demand promissory note to a related party owed to Glowat and its creditors for an amount of $2,000,000, equivalent to the net book value of this portion. The Corporation repaid entirely the debt to this director in March 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 having started production at its Amizmiz property. The Corporation is of the position that it has complied with all of its obligations and has made all requested work on the property. At this stage, the results of the work programs concluded do not justify the start of production on the Amizmiz property. The Corporation contested this lawsuit, which it considered unfounded. The Corporation also has filed a counterclaim against SEGM, alleging that the acquisition of this property was made on the basis of a technical report delivered by SEGM that was misleading as to the advancement of the work programs on the property. The Corporation claims reimbursement for all expenses incurred on the Amizmiz property.

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

POST BALANCE SHEET EVENTS

In July and August 2017, 2,493,333 Common Share purchase warrants were exercised. Following these exercises, the Corporation received an aggregate amount of $374,000.

EXPLORATION AND EVALUATION ASSETS

The following is a breakdown by project of the exploration and evaluation assets carried forward as at:

	June 30, 2017 $	December 31, 2016 $	December 31, 2016 $
Zgounder (1)	—	—	—
Boumadine	4,733,252	4,707,871	4,551,431
Amizmiz	—	—	—
Azegour	—	—	—
Mining Permit no 233263	—	—	—
Total expenditures carried forward	4,733,252	4,707,871	4,551,431

(1) The Zgounder property entered into the development phase in the second quarter of 2014. Since this date, all exploration expenses are accounted for as additions to mining assets under construction in plant, property and equipment.

All exploration and evaluation assets are located in Morocco.

Boumadine property

During the six-month period ended June 30, 2017 and the years ended December 31, 2016 and 2015, changes in exploration and evaluation assets related to the Bormadine property were as follows:

	June 30, 2017	December 31, 2016	December 31, 2015
	$	$	$
Rights on mining properties			
Balance, beginning of the period	4,438,257	4,438,257	4,438,257
Additions	-	-	-
Balance, end of the period	4,438,257	4,438,257	4,438,257
Deferred exploration and evaluation expenses			
Balance, beginning of the period	269,614	113,174	113,174
Additions			
Geology and consulting	-	6,648	-
Administrative	25,381	149,792	-
Balance, end of the period	294,995	269,614	113,174
Total	4,733,252	4,707,871	4,551,431

Since Boumadine began exploration work in 2016 under an exploration program and 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 June 30, 2017.

SELECTED CONSOLIDATED INFORMATION

	As at June 30, 2017	As at December 31, 2016	As at December 31, 2015
	$	$	$
Statement of Financial position			
Cash	**2,153,369**	4,266,854	376,327
Property, plant and equipment	**18,274,068**	19,299,124	20,755,099
Exploration and evaluation assets	**4,733,252**	4,707,871	4,551,431
Total assets	**28,917,212**	32,190,912	28,767,645
Convertible and non-convertible debentures	**-**	3,004,566	2,800,393
Balance of purchase price payable	**3,816,858**	3,621,637	4,290,268
Long-term debt	**7,906,237**	8,213,022	1,248,748
Equity	**12,461,418**	12,658,781	11,242,534

	Three-month period ended June 30,			**Six-month period ended June 30,**
	2017	**2016**	**2017**	2016
	$	**$**	**$**	$
Expenses and other items				
Management and administration	**340,106**	576,388	**759,358**	821,042
Investor relations and corporate development	**18,095**	59,935	**109,983**	82,116
Change in fair value of marketable securities	**-**	-	**-**	12,723
Loss (gain) on foreign exchange	**(216,040)**	507,901	**(342,071)**	1,055,940
Royalty	**90,238**	91,452	**172,244**	162,636
Net profit interest	**156,950**	207,289	**250,345**	218,763
Gain on disposal of marketable securities	**-**	(4,580)	**-**	(4,580)
Finance expense	**62,194**	236,308	**234,335**	551,670
Gain on extinguishment of debt	**-**	-	**-**	(709,571)
Income tax expense	**131,095**	-	**240,770**	-
Net loss	**582,638**	1,674,693	**1,424,964**	2,190,739
Other comprehensive loss				
Change in foreign currency translation of foreign subsidiaries	**226,043**	(167,504)	**252,122**	(623,256)
Comprehensive loss	**808,681**	(1,507,189)	**1,677,086**	(1,567,483)
Basic and diluted loss per share	**(0.01)**	(0.01)	**(0.01)**	(0.01)
Cash flows				
Operating activities	**(1,545,466)**	(2,258,261)	**(1,618,652)**	(2,539,306)
Investing activities	**1,133,455**	846,228	**1,478,715**	1,471,845
Financing activities	**(2,176,967)**	(1,494,717)	**(1,973,548)**	5,414,057

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

CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies during the six-month period ended June 30, 2017.

ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE LOSS COMPONENTS

The following is a breakdown of the nature of expenses included in management and administration expenses and finance expense for the six-month periods ended June 30:

Management and administration expenses

	Three-month period ended June 30,		**Six-month period ended June 30,**	
	2017	2016	**2017**	2016
	$	$	**$**	$
Salaries and benefits	**62,174**	145,975	**174,926**	257,905
Consulting fees	**136,318**	45,974	**299,042**	77,811
Share-based payments	**-**	251,800	**-**	251,800
Office	**20,945**	42,800	**101,560**	80,271
Professional fees	**99,894**	59,308	**157,435**	118,353
Reporting issuer costs	**20,775**	30,531	**26,395**	34,902
	340,106	576,388	**759,358**	821,042

Finance expense

	Three-month period ended June 30,		Six-month period ended June 30,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Interest expense	**57,400**	-	**108,471**	209,692
Long-term debt and debentures fees	**-**	-	**-**	-
Accretion expense	**176,935**	62,194	**127,837**	341,978
	234,335	62,194	**236,308**	551,670

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, $10,750,614 in 2016 and $6,470,653 year to date in 2017) and it's applied against the mining property under construction since the project is in development stage.

Six-month period ended June 30, 2017 versus six-month period ended June 31, 2016

During the six-month period ended June 30, 2017, the Corporation incurred a net loss of $1,424,964 ($0.01 per share) compared to $2,190,739 ($0.01 per share) in 2016. The increase in net loss in 2017 is mainly attributable to the impact of a gain on foreign exchange in 2017 compared to a loss on foreign exchange in 2016, a gain on extinguishment of debt, a reduction in finance expenses and an increasing in income tax expense:

- The Corporation recorded a gain on foreign exchange of $342,071 in 2017 related to the variation of the closing rate of the Moroccan dirham vs the Canadian dollar and Moroccan dirham vs American dollar (loss of $1,055,940 in 2016);
- The Corporation recorded a finance expense of $234,335 in 2017 as compared to $551,670 for the corresponding period of 2016. The decrease is mainly resulting from the repayment of debentures in 2017 and repayment of other debts;

Three-month period ended June 30, 2017 versus three-month period ended June 30, 2016

During 2017, the Corporation incurred a net loss of $582,638 ($0.01 per share) compared to 1,674,693 ($0.01 per share) in 2016. The decrease in net loss in 2017 is mainly attributable to the impact of a gain on foreign exchange in 2017 compared to a loss on foreign exchange in 2016, reduction in share-based payments and a reduction in finance expenses as follows:

- The Corporation recorded a gain on foreign exchange of $216,040 in 2017 related to the variation of the closing rate of the Moroccan dirham vs the Canadian dollar and Moroccan dirham vs American dollar (loss of $507,901 in 2016);
- The Corporation incurred management and administration expenses of $340,106 in 2017 as compared to $576,388 for the corresponding period of 2016. The decrease is mainly resulting from the share-based payments related to share issuance from the LTIP in 2016 as compared to no share-based payment in 2017.
- The Corporation recorded a finance expense of $62,194 in 2017 as compared to $236,308 for the corresponding period of 2016. The decrease is mainly resulting from the repayment of debentures in 2017 and repayment of other debs.

Financial position analysis

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

- Capital expenditures related to flotation cells and development work at Zgounder continued during the period. Total expenditures incurred amounting to $5,064,831 were reduced by silver sales totalling $6,470,653.
- The account payable and accrued liabilities remain stable during the period amounting to $3,490,632 as at June 30, 2017 as compared to December 31, 2016 of $3,107,803;
- Repayments during the six-month period of the $3,050,000 convertible debentures.

SELECTED QUARTERLY INFORMATION

	Accounting policies	Revenues	Net loss	Net loss per share (basic and diluted)
Quarter ended		**$**	**$**	**$**
June 30, 2017 (7)	IFRS	-	(582,638)	(0.01)
March 31, 2017 (8)	IFRS	-	(842,326)	(0.00)
December 31, 2016 (9)	IFRS	-	(1,807,474)	(0.02)
September 30, 2016 (1) (10)	IFRS	-	(530,822)	(0.00)
June 30, 2016 (2) (11)	IFRS	-	(1,674,693)	(0.01)
March 31, 2016 (3) (12)	IFRS	-	(516,046)	(0.01)
December 31, 2015 (4) (13)	IFRS	-	(515,040)	(0.01)
September 30, 2015 (5) (14)	IFRS	-	(5,425,236)	(0.04)
June 30, 2015 (6) (15)	IFRS	-	(1,010,687)	(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) Revenues of $2,871,507 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(8) Revenues of $3,599,146 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(9) 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.
(10) 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.
(11) 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.
(12) 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.
(13) Revenues of $761,871 were generated during the quarter but accounted for against mining assets under construction as the project is in development stage.
(14) 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.
(15) 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.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2017, the Corporation had negative working capital of $1,034,182 (December 31, 2016 - $1,833,069). The improvement in working capital is mainly due to new equity financing of $1,500,000 combined with the cash flows generated from the development of the Zgounder mine of $1,428,212 less the payment of the convertible debenture of $3,050,000 which was presented in current liabilities as at December 31, 2016.

During the six-month period ended June 30, 2017, the Corporation completed financings for a net amount of $1,479,723. Terms of the financings completed in 2017 are described in the 2017 financing transaction section.

The Corporation also made repayments amounting to $3,050,000 with respect to convertible debentures.

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.

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 June 30, 2017, capital is $12,461,418 ($12,658,781 as at December 31, 2016). 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 six-months ended June 30, 2017. Variation of capital during the period is detailed in the condensed interim 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.

RELATED PARTY TRANSACTIONS

During the six-month period ended June 30, 2017, the following related party transactions occurred in the normal course of operations:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to 37,711 recorded as professional fees and 4,677 ($82,939 recorded as professional fees and issuance costs issuance costs of shares facility in 2016);
- Glowat, a private company owned by a party related to an officer and director of the Corporation, charged as part of a project management agreement, management and service fees of $nil which were capitalized to exploration and evaluation assets (2016 - $19,642), a net profit interest expense of $250,345 (2016 - $218,763) and interest of $nil (2016 - $133,260);
- A director and former officer charged consulting fees through a company which he is owner $215,835 (2016 – nil).
- A former officer of the Corporation charged consulting fees of $52,211 ($62,500 in 2016).

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

During the six-month period ended June 30, 2017, the Corporation paid $300,000 to Glowat and its creditors in settlement of amounts owing. As at June 30, 2017, the Corporation had a liability to Glowat amounting to $258,899 (2016 – 607,324).

As at June 30, 2017, the balance due to related parties (excluding the accounts payable and accrued liabilities to Glowat and its creditors which is presented separately in the condensed interim consolidated statements of financial position) amounted to $120,252 (2016 - $80,166). This amount is subject to the same conditions as those of non-related parties.

Remuneration of key management personnel of the Corporation

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

	Three-month period ended June 30,		Six-month period ended June 30,	
	2017	2016	**2017**	**2016**
	$	$	**$**	**$**
Salaries and benefits and bonuses	**80,858**	138,765	**207,712**	272,760
Management consulting and professional fees	**131,272**	86,578	**310,434**	265,081
Directors fees	**9,666**	30,085	**24,708**	42,085
Share-based payments	**-**	251,800	**-**	251,800
	221,796	507,228	**542,854**	831,726

INFORMATION ON SHARES OUTSTANDING

As at August 25, 2017, the outstanding securities are as follows:

Common shares	213,371,409
Warrants	82,631,725
Share purchase options	6,725,000

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 August 25, 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.mayagoldsilver.com).

CORPORATE INFORMATION

Board of Directors

René Branchaud, Chairman of the Board (2) (3) (5)
Noureddine Mokaddem (3) (4) (5)
Nikolaos Sofronis (1) (3) (5)
Éric Swenden (2) (3) (4)
Robert Taub (1) (2) (4)
R. Martin Wong (1) (2)

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

Officers

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

R. Martin Wong
Interim Chief Financial Officer

René Branchaud
Secretary

Auditors

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

Transfer Agents

Société de fiducie Computershare du Canada
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Legal Counsel

Lavery, de Billy, L.L.P. - Barristers and Solicitors
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