



## **CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2020 AND 2019**

**(UNAUDITED)**

## **Management's Responsibilities over Financial Reporting**

The condensed interim consolidated financial statements of Maya Gold & Silver Inc. (the "Corporation" or "Maya") are the responsibility of the Corporation's management. The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the condensed interim consolidated financial statements prior to their submission to the Board of Directors for approval.

The condensed interim consolidated financial statements have not been audited.

# Maya Gold & Silver Inc.

## Condensed Interim Consolidated Statements of Financial Position

(in United States dollars)

	March 31, 2020 (unaudited)	December 31, 2019
	\$	\$
<b>ASSETS</b>		
Current		
Cash	14,831,283	16,621,291
Accounts receivable	295,246	1,203,634
Sales taxes receivable	774,671	929,706
Inventories (Note 4)	2,652,820	2,241,272
Prepaid expenses and security deposits	47,884	39,663
	18,601,904	21,035,566
Non-current		
Restricted investment	7,111	7,698
Non-refundable deposits to suppliers	284,253	298,222
Property, plant and equipment (Note 5)	19,046,846	20,166,918
Exploration and evaluation assets (Note 6)	5,935,723	6,652,763
<b>TOTAL ASSETS</b>	<b>43,875,837</b>	<b>48,161,167</b>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities	3,879,311	3,684,211
Interest and net profit interest payable to a related party (Note 16)	191,191	191,423
Current portion of balance of purchase price payable (Note 7)	-	1,547,415
Current portion of long-term debt (Note 8)	55,157	56,996
	4,125,659	5,480,045
Non-current		
Long-term debt (Note 8)	5,891	20,978
Balance of purchase price payable (Note 7)	980,825	-
Asset retirement obligations	1,193,140	1,129,012
Deferred income tax	608,777	648,695
<b>TOTAL LIABILITIES</b>	<b>6,914,292</b>	<b>7,278,730</b>
<b>EQUITY</b>		
Share capital (Note 9)	79,117,400	79,158,411
Share purchase options (Note 10)	1,167,349	1,167,349
Contributed surplus	7,640,353	7,640,353
Deficit	(44,321,490)	(43,799,620)
Accumulated other comprehensive loss	(6,970,712)	(3,678,543)
	36,632,900	40,487,950
Non-controlling interests	328,645	394,487
<b>TOTAL EQUITY</b>	<b>36,961,545</b>	<b>40,882,437</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>43,875,837</b>	<b>48,161,167</b>

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

On behalf of the Board,

Benoit La Salle /s/  
President, CEO, Director

Yves Grou /s/  
Director

# Maya Gold & Silver Inc.

## Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

(unaudited, in United States dollars)

	Three-month periods ended March 31,	
	2020	2019
	\$	\$
<b>Revenue from silver sales (Note 11)</b>	<b>525,062</b>	2,067,397
Cost of sales (Note 12)	552,585	1,557,275
Net profit interest to a related party (Notes 16)	14,361	41,358
<b>Gross margin</b>	<b>(41,884)</b>	468,764
<b>Expenses</b>		
Management and administration (Note 13)	721,485	169,343
Investor relations and corporate development	13,262	32,846
Gain on foreign exchange	(500,888)	(37,699)
	<b>233,859</b>	164,490
<b>Operating (loss) income for the period</b>	<b>(275,743)</b>	304,274
Net finance income (Note 13)	(22,847)	(15,715)
Other expenses (note 4)	179,883	-
	<b>157,036</b>	(15,715)
<b>(Loss) income before income taxes</b>	<b>(432,779)</b>	319,989
Income tax expense	2,954	15,244
<b>Net (loss) income</b>	<b>(435,733)</b>	304,745
<b>Net (loss) income attributable to</b>		
Equity holders of Maya Gold & Silver Inc.	(369,891)	304,745
Non-controlling interests	(65,842)	-
<b>Net (loss) income</b>	<b>(435,733)</b>	304,745
<b>Other comprehensive (loss) income</b>		
<b>Items that will subsequently be reclassified to net (loss) income):</b>		
Foreign currency translation adjustment	(3,292,169)	756,480
<b>Comprehensive (loss) income for the period</b>	<b>(3,727,902)</b>	1,061,225
Basic income (loss) per common share for the period	(0,005)	0.004
Diluted income (loss) per common share for the period	(0,005)	0.004
Weighted average number of shares - basic	79,548,510	78,356,675
Weighted average number of shares - diluted	79,548,510	79,447,592

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

# Maya Gold & Silver Inc.

## Consolidated Interim Statements of Changes in Equity

(unaudited, in United States dollars)

	Number of issued and outstanding shares	Share capital	Warrants	Share purchase options	Contributed surplus	Deficit attributable to equity holders of Maya Gold & Silver Inc.	Accumulated other comprehensive income (loss)	Non- controlling interests	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as at December 31, 2019</b>	<b>79,603,320</b>	<b>79,158,411</b>	-	<b>1,167,349</b>	<b>7,640,353</b>	<b>(43,799,620)</b>	<b>(3,678,543)</b>	<b>394,487</b>	<b>40,882,437</b>
Share issue cost (Note 9)	-	-	-	-	-	(143,927)	-	-	(143,927)
Repurchase of common shares (Note 9)	(54,810)	(41,011)	-	-	-	(8,052)	-	-	(49,063)
	79,548,510	79,117,400	-	1,167,349	7,640,353	(43,951,599)	(3,678,543)	394,487	40,689,447
Net (loss) for the period	-	-	-	-	-	<b>(369,891)</b>	-	<b>(65,842)</b>	<b>(435,733)</b>
Other comprehensive loss	-	-	-	-	-	-	<b>(3,292,169)</b>	-	<b>(3,292,169)</b>
Comprehensive loss for the period	-	-	-	-	-	<b>(369,891)</b>	<b>(3,292,169)</b>	<b>(65,842)</b>	<b>(3,727,902)</b>
<b>Balance as at March 31, 2020</b>	<b>79,548,510</b>	<b>79,117,400</b>	-	<b>1,167,349</b>	<b>7,640,353</b>	<b>(44,321,490)</b>	<b>(6,970,712)</b>	<b>328,645</b>	<b>36,961,545</b>
Balance as at December 31, 2018	78,356,675	78,439,692	96,737	1,367,349	7,440,353	(43,100,352)	(5,056,265)	-	39,187,514
Net income for the period	-	-	-	-	-	304,745	-	-	304,745
Other comprehensive income	-	-	-	-	-	-	756,480	-	756,480
Comprehensive income for the period	-	-	-	-	-	304,745	756,480	-	1,061,225
<b>Balance as at March 31, 2019</b>	<b>78,356,675</b>	<b>78,439,692</b>	<b>96,737</b>	<b>1,367,349</b>	<b>7,440,353</b>	<b>(42,795,607)</b>	<b>(4,299,785)</b>	-	<b>40,248,739</b>

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

**Maya Gold & Silver Inc.**  
**Consolidated Interim Statements of Cash Flows**  
(unaudited, in United States dollars)

	Three-month periods ended March 31,	
	2020	2019
<b>Cash flows provided by (used in)</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>		
Net (loss) income for the period	(435,733)	304,745
Adjustments for non-cash items		
Amortization	344,664	264,535
Accretion expense	4,867	7,597
Unrealized gain on foreign exchange	(500,888)	(37,699)
Changes in working capital items (Note 15)	680,621	2,112,905
	<b>93,531</b>	<b>2,652,083</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment (Note 5)	(175,852)	(3,733,925)
Acquisition of exploration and evaluation assets (Note 6)	(228,447)	27,958
	<b>(404,299)</b>	<b>(3,705,967)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of balance of purchase price payable (Note 7)	-	(1,040,850)
Repayment of long-term debt	(14,988)	(29,632)
Repurchase of common shares (Note 9)	(49,063)	-
	<b>(64,051)</b>	<b>(1,070,482)</b>
Effect of exchange rate changes on cash in foreign currencies	(1,415,189)	242,226
<b>Net change in cash</b>	<b>(1,790,008)</b>	<b>(1,882,140)</b>
Cash, beginning of period	16,621,291	19,000,163
<b>Cash, end of period</b>	<b>14,831,283</b>	<b>17,118,023</b>

*Supplemental cash flow information (Note 15)*

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

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

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### 1. GENERAL INFORMATION

Maya Gold & Silver Inc. (the “Company” or “Maya”) is a Canadian based precious metals mining company which focuses on the exploration, development, production and acquisition of precious metals mining projects. The Company is concentrated on producing silver and exploration activities at its flagship project, the Zgounder property. Maya owns 85% of Zgounder Millennium Silver Mine S.A (“ZMSM”), which owns the Zgounder property. The Company also owns 85% of the Boumadine polymetallic project and owns the permits related to the Amizmiz and Azegour properties. All of these properties are located in the Kingdom of Morocco. Maya’s registered office is located at 1320 boulevard Graham, suite 132, Mont-Royal, Quebec, Canada, H3P 3C8.

Maya was incorporated under the Canada Business Corporations Act; its financial year-end is December 31 and trades on the Toronto Stock Exchange under the symbol “MYA”. In January 2019, commercial production of the first phase of the Zgounder project was declared by the Company. All projects other than the Zgounder project are in exploration and evaluation stage.

In regard to its other projects, the Corporation has not yet determined whether they contain ore resources that are economically recoverable. The recoverability of amounts shown as exploration and evaluation assets are dependent upon the existence of reserves on these properties, the ability to obtain all required permits, the ability of the Corporation to obtain necessary financing to complete the development of these projects and upon future profitable production from these projects or sufficient proceeds from their disposal thereof. The Corporation may periodically have to raise additional funds to continue exploration, and while it has been successful in doing so in the past, some external factors like global economy or commodities market could limit the success of capital raising in the future.

As part of the worldwide effort to fight the spread of the COVID-19 pandemic, Maya has taken all necessary and recommended best practices to respond dynamically and proactively to this threat. The Corporation is therefore taking proactive measures to abide by rules and recommendations in the jurisdictions in which it operates or has personnel. As a result, like many other businesses, Maya is adapting procedures to ensure continued development of its operations is minimally impacted.

The Corporation’s business could be significantly adversely affected by the effects of the COVID-19 pandemic. The Corporation cannot accurately predict the impact COVID-19 due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Corporation’s business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, on-going restrictions to mining and processing operations and drill programs, and other factors that will depend on future developments beyond the Corporation’s control. In addition, the COVID-19 pandemic could adversely affect the economies and financial markets of many countries (including those in which the Corporation operates), resulting in an economic downturn that could negatively impact the Corporation’s operating results and ability to raise capital.

### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

#### ***Basis of measurement***

These condensed interim consolidated financial statements have been prepared on a historical cost basis. The Corporation has elected to present the condensed interim consolidated statement of comprehensive (loss) income in a single statement.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

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### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The condensed interim consolidated financial statements have been prepared on a going concern basis, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations.

#### ***Statement of compliance***

The condensed interim consolidated financial statements of the Corporation for the three-month periods ended March 31, 2020 and 2019 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2019 which have been prepared in accordance with IFRS.

The Board of directors approved these condensed interim consolidated financial statements, effective June 29, 2020.

#### ***Significant accounting judgments and estimates***

The preparation of these condensed interim consolidated financial statements requires management to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected.

In preparing these condensed interim financial statements, the significant judgments made by management applying the Corporation's accounting policies and the key sources of estimation uncertainty were the same as those described in the Corporation's audited consolidated financial statements for the year ended December 31, 2019.

#### ***Significant accounting policies***

These condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2019.

#### **Consolidation**

These condensed interim consolidated financial statements include the accounts of Maya and its subsidiaries. Subsidiaries are all entities over which the Corporation has control. The Corporation controls an entity when it has power over the entity, when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns.



# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

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### 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES *(continued)*

These condensed interim consolidated financial statements include the accounts of Maya and its subsidiaries as follows:

Subsidiary	Registered	Ownership and voting Right	Principal activity	Functional Currency
Compagnie Minière Maya-Maroc S.A. ("CMMM")	Morocco	100%	Exploration	Moroccan dirham
Zgounder Millennium Silver Mining S.A. ("ZMSM")	Morocco	85%	Production	Moroccan dirham
Boumadine Global Mining S.A. ("BGM")	Morocco	85%	Exploration	Moroccan dirham
Atlas Gold & Silver S.A.R.L. ("AGS")	Morocco	100%	Exploration	Moroccan dirham
Metales de la Sierra, S. de R.L. de C.V. ("Metales")	Mexico	100%	Inactive	Canadian dollar

Subsidiaries are fully consolidated from the date on which control is transferred to Maya and are de-consolidated from the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Where the Corporation's interest in a subsidiary is less than 100%, the Corporation recognizes non-controlling interests.

The functional currency of Maya is the Canadian dollar. The functional currency of the Corporation and its subsidiaries has remained unchanged during the reporting period. The Corporation's reporting currency is the US dollar.

### 3. SEGMENTED INFORMATION

All of the Corporation's operations are within the mining industry and its major products are precious metals ingots and concentrate which are refined or smelted into pure silver and sold to global metal brokers. A reporting segment is defined as a component of the Corporation that:

- engages in business activities from which it may earn revenues and incur expenses;
- whose operating results are reviewed regularly by the entity's executive management; and
- for which discrete financial information is available.

For the three months ended March 31, 2020, the Corporation's reporting segments includes the production segment, with its Zgounder silver project in Morocco, as a significant reporting segment. All other properties are segmented in the "nonproducing properties" category (i.e. referred to as Exploration, evaluation and development segment in the annual financial statements) for the three months ended March 31, 2020 and 2019. The "Others" segment consists primarily of the Corporation's corporate assets including cash and cash equivalents, inter-Corporation eliminations, and corporate expenses which are not allocated to operating segments.

Management evaluates segment performance based on mine operating earnings. Therefore, other income and expense items are not allocated to the segments. The segmented information for the comparative periods has been adjusted to reflect the Corporation's reporting segments for the reporting period ended March 31, 2020 for consistency.

Significant information relating to the Corporation's reportable operating segments is summarized in the tables below:

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

### 3. SEGMENTED INFORMATION (continued)

Three Months Ended March :		Revenue	Cost of sales	Expense	Loss (gain) on foreign exchange	Mine operating income (loss)
2020 and 2019						
Zgounder	2020	525,062	552,585	123,282	92,284	(243,089)
	2019	2,067,397	1,557,275	70,237	(33,765)	391,514
Non-producing properties	2020	-	-	-	-	-
	2019	-	-	-	-	-
Others	2020	-	-	625,826	(593,172)	(32,654)
	2019	-	-	173,310	(3,934)	(87,240)
Consolidated	2020	525,062	552,585	749,108	(500,888)	(275,743)
	2019	2,067,397	1,557,275	243,547	(37,699)	304,274

### 4. INVENTORIES

	March 31, 2020	December 31, 2019
	\$	\$
Mining supplies	831,261	883,458
Precious metals and concentrate	1,673,221	359,428
Ore	148,323	998,386
	2,652,820	2,241,272

For the three-month periods ended March 31, 2020, the Company recognized \$285,243 (\$1,582,057 - 2019) in cost of sales.

On January 20th, the Corporation was victim to a theft of 14,884 ounces of silver ingots (cost of \$179,883) at its mine site. Local authorities were notified, a full report was conducted, and suspects were identified. Management is currently in discussions with the Corporation's insurers to recover the value of the stolen goods.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

### 5. PROPERTY, PLANT AND EQUIPMENT

	Exploration and evaluation equipment	Mining and processing equipment	Mining asset in production	Asset under construction	Mining assets under development	Furniture, mining vehicles, computers	Total
	\$	\$	\$		\$	\$	\$
<b>Cost</b>							
Balance at January 1, 2019	314,406	-	-	-	19,310,698	-	19,839,954
Reclassification to exploration and evaluation assets	-	-	-	-	(165,909)	-	(165,909)
Reclassification	-	9,473,294	9,671,495	-	(19,144,789)	-	-
Addition	-	81,806	1,828,931	282,579	-	-	2,193,316
Foreign exchange	15,660	(121,213)	12,771	(339)	-	(1,937)	(95,058)
Balance at December 31, 2019	330,066	9,433,887	11,513,197	282,240	-	212,913	21,772,303
Addition	-	3,078	81,666	91,108	-	-	175,852
Asset retirement obligation	-	-	73,054	-	-	-	73,054
Foreign exchange	(25,162)	(447,854)	(620,529)	(17,017)	-	(9,973)	(1,120,535)
Balance at March 31, 2020	304,904	8,989,112	11,047,387	356,331	-	202,940	20,900,674
<b>Depreciation</b>							
Balance at January 1, 2019	-	-	-	-	-	-	-
Amortization	32,318	646,629	785,680	-	-	137,820	1,602,447
Foreign exchange	689	(476)	2,890	-	-	(165)	2,938
Balance at December 31, 2019	33,007	646,153	788,570	-	-	137,655	1,605,385
Amortization	31,902	134,423	164,326	-	-	14,013	344,664
Foreign exchange	(3,928)	(36,275)	(48,986)	-	-	(7,032)	(96,221)
Balance at March 31, 2020	60,981	744,301	903,910	-	-	144,636	19,046,846
<b>Carrying amounts</b>							
At December 31, 2019	297,059	8,787,734	10,724,627	282,240	-	75,258	20,166,918
At March 31, 2020	243,923	8,244,811	10,143,477	356,331	-	58,304	19,046,846

All properties, plant and equipment are located in Morocco.

As at March 31, 2020, property, plant and equipment include right-of-use assets of \$58,304 (December 31, 2019 - \$75,258).

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

### 6. EXPLORATION AND EVALUATION ASSETS

During the three-month period ended March 31, 2020 and the year ended December 31, 2019, changes in exploration and evaluation assets were as follows:

	March 31, 2020	December 31, 2019
	\$	\$
<b>Rights on mining properties</b>		
Balance, beginning of the period	3,416,672	3,254,612
Gain on debt extinguishment (note 6)	(520,452)	-
Foreign exchange	(221,751)	162,060
Balance, end of the period	2,674,469	3,416,672
<b>Deferred exploration and evaluation expenses</b>		
Balance, beginning of the period	3,236,091	1,909,943
Additions		
Geology	45,563	510,220
Drilling and sampling	182,884	617,667
Reclassification from property, plant and equipment	-	165,903
Foreign exchange	(203,284)	32,358
Balance, end of the period	3,261,254	3,236,091
<b>Total</b>	<b>5,935,723</b>	<b>6,652,763</b>

All exploration and evaluation assets are located in Morocco and relate to the Boumadine, Zgounder West and East and Azegour projects.

#### Zgounder West and East

The exploration expenditures on the property, totalling \$920,965 as at March 31, 2020 (\$996,968 as at December 31, 2019) were for geology analysis and prospecting and drilling efforts in order to assess mineral reserves on new zones east and west of the actual Zgounder mine.

#### Boumadine project

The exploration expenditures on the property, totalling \$4,991,096 as at March 31, 2020 (\$5,630,181 as at December 31, 2019) were for the acquisition of rights as well as prospecting and drilling efforts in order to assess mineral reserves.

ONHYM is entitled to 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 (\$9,833) until production begins.

#### Azegour project

The exploration expenditures on the property, totalled \$23,662 as at March 31, 2020 (\$25,614 as at December 31, 2019). The property is in early stage exploration and the Corporation will evaluate the asset as more information is gathered on the prospects of the property.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

### 7. BALANCE OF PURCHASE PRICE PAYABLE

	March 31, 2020	December 31, 2019
	\$	\$
Balance, beginning of the period	1,547,415	2,385,009
Accretion expense	2,049	227,684
Gain on debt extinguishment	(520,452)	-
Repayments	-	(1,040,850)
Foreign exchange	(48,187)	(24,428)
Balance, end of the period	980,825	1,547,415
Current portion	-	1,547,415
Non-current portion	980,825	-

The Boumadine property is expected to be transferred to Boumadine Global Mining S.A., owned at 85% by the Corporation and 15% by ONHYM during the year ending December 31, 2020. In addition to the balance of purchase price, a non-interest bearing payable in an amount of 15,000,000 MAD (\$1,494,935) which relates to past expenses incurred by the seller, became payable when the subsidiary was created. This amount can be applied as a capital contribution of the future subsidiary, at the seller's request. On March 26, 2020, the Corporation and ONHYM agreed to the postponement of payment for the 15,000,000 MAD to a date, not before January 2023. As the terms of the extension were significantly different from the original terms, the extension is considered to be an extinguishment of the balance of purchase price payable.

The balance of purchase price was measured at the date of modification at fair value, based on discounted cash flows using a discount rate of 16%. The difference between the nominal value of the balance of purchase price of \$1,547,415 and its fair value of \$1,026,963 is recorded as a gain on debt extinguishment. Moreover, due to the amendment of the terms, the balance of purchase price payable was reclassified as a non-current liability.

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 will be the responsibility of the new company to be created.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

### 8. LONG-TERM DEBT

	March 31, 2020	December 31, 2019
	\$	\$
Lease liabilities	61,048	77,974
Current portion	55,157	56,996
Non-current portion	5,891	20,978

The instalments on lease liabilities for the forthcoming years are as follows:

	Obligation under Lease liabilities
	\$
2020 (nine months)	42,800
2021	21,175
Total minimum payments	62,975

### 9. SHARE CAPITAL

#### Authorized

Unlimited number of common shares without par value.

#### Common Shares

##### Transactions during the three-month period ended March 31, 2020

As at March 31, 2020, the Company had 79,548,510 issued and outstanding common shares (December 31, 2019 - 79,603,320).

During the three-month period ended March 31, 2020, the Corporation repurchased 54,810 common shares for a total purchase price of \$49,063 relating to the NCIB. The excess of the purchase price paid over the carrying value of the shares repurchased in the amount of \$8,052 was charged to deficit as share repurchase premium.

In 2012, the Corporation entered into an agreement with a service provider to market the Corporation to potential investors. A residual disputed amount of \$143,927 for services rendered is provisioned as share issue costs until a time when the dispute is resolved.

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020 (in United States dollars) (Unaudited)

### 10. SHARE PURCHASE OPTIONS

The outstanding share purchase options as at March 31, 2020 and as at December 31, 2019 and the respective changes during the three-month period and year then ended are summarized as follows:

	Three-month period ended		Year ended	
	March 31, 2020		December 31, 2019	
	Number	CAD\$ <sup>(1)</sup>	Number	CAD\$ <sup>(1)</sup>
Balance, beginning of the period	890,000	3.23	1,190,000	2.92
Expired	-	-	(300,000)	2.00
Balance, end of the period	890,000	3.23	890,000	3.23

(1) Weighted average exercise price in Canadian dollar

The following table reflects the share purchase options issued and outstanding at March 31, 2020:

Expiry date	Number	Exercise	Remaining contractual life (years)	Number of options exercisable
	of options	Price		
	Number	CAD\$	Number	Number
January 2023	50,000	2.00	2.83	50,000
May 2023	800,000	3.30	3.17	800,000
June 2023	40,000	3.30	3.25	40,000
	890,000	3.23	3.17	890,000

### 11. ADDITIONAL INFORMATION ON THE NATURE OF REVENUE FROM SILVER SALES

The following is a breakdown of the nature of revenue included in silver sales for the three-month periods ended March 31:

#### Revenue from silver sales

	Three-month periods ended March 31,	
	2020	2019
	\$	\$
Ingots	350,678	2,067,397
Silver Concentrate	174,384	-
	525,062	2,067,397

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

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### 12. ADDITIONAL INFORMATION ON THE NATURE OF COST OF SALES

The following is a breakdown of the nature of cost of sales for the three-month periods ended March 31:

#### Cost of sales

	Three-month periods ended March 31,	
	2020	2019
	\$	\$
Consumables, supplies and service	135,432	1,210,561
Selling expense	56,737	35,767
Royalties	15,752	46,412
Amortization	344,664	264,535
	552,585	1,557,275

### 13. ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE (LOSS) INCOME COMPONENTS

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

#### Management and administration expenses

	Three-month periods ended March 31,	
	2020	2019
	\$	\$
Salaries, severance and benefits	417,918	63,433
Consulting fees	49,277	21,344
Office related expenses	29,990	17,564
Professional fees	196,957	23,108
Reporting issuer costs	27,343	43,894
	721,485	169,343

#### Finance (income) expense

	Three-month periods ended March 31,	
	2020	2019
	\$	\$
Interest income	(95,207)	(23,312)
Interest expense	68,538	2,952
Accretion expense	3,822	4,645
	(22,847)	(15,715)



# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

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### 14. FINANCIAL INSTRUMENTS

#### *Fair value of financial instruments*

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

The fair value of the balance of purchase price for the acquisition of the Boumadine property, which is classified as a level 3 financial liability, is not materially different from its carrying value since it was remeasured at fair value on modification date during the quarter given the renegotiation of the terms. The fair value of long-term debt is based on discounted cash flows and there was no material change in the assumptions used for fair value determination at inception. Therefore, its principal amount approximates its fair value.

#### *Fair value hierarchy*

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

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

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

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

During the three-month period ended March 31, 2020, there were no transfers between Level 1, Level 2 and Level 3 (2019 – None).

### 15. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month period ended	
	2020	March 31, 2019
	\$	\$
<b>Changes in working capital items</b>		
Accounts receivable	854,445	(9,127)
Sales taxes receivable	88,057	208,559
Inventories	(609,378)	(1,038,628)
Prepaid expenses and security deposits	(11,766)	54,730
Accounts payable and accrued liabilities	354,074	3,004,910
Net profit interest payable to a related party	14,361	39,678
Non-refundable deposits to suppliers	(9,172)	(147,217)
	680,621	2,112,905

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

### March 31, 2020 (in United States dollars) (Unaudited)

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#### 16. RELATED PARTY TRANSACTIONS

During the three-month periods ended March 31, 2020 and 2019 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 \$39,239 recorded as professional fees (2019 - \$7,502);
- Glowat, a private company owned by a party related to an officer and director of the Corporation charged a net profit interest expense of \$14,361 (2019 - \$41,358).

As at March 31, 2020, the Corporation had a liability to Glowat amounting to \$191,191 (2019 - \$191,423).

#### Remuneration of key management personnel of the Corporation

Key management included members of the Board of Directors and executive officers of the Corporation consisting of the Chief Executive Officer, President and Chief Financial Officer. During the three-month periods ended March 31, 2020 and 2019, the remuneration awarded to key management personnel amounted to \$390,107 and \$95,995, respectively. As at March 31, 2020, \$204,425 is included in accounts payable and accrued liabilities related to the former CEO's accrued vacations and his severance of \$372,033 is still payable.

#### 17. COMMITMENTS AND CONTINGENCIES

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

- 2.5% net smelter royalty ("NSR") to Société d'Exploration Géologique des Métaux ("SEGM") on the Amizmiz property and an 8 km radius area of interest;
- 2.5% royalty to Ouiselat Mines 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; and
- 3.0% royalty to ONHYM on revenue from the Boumadine property.

#### Net profit interest

The Company entered into a net profit interest agreement with Global Works, Assistance and Trading S.A.R.L. ("Glowat"), a related party to the previous CEO and director of the Company, 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.

#### Contingency

On July 2014, SEGM filed a lawsuit against the wholly owned subsidiary of the Company in Morocco, alleging that SEGM, the beneficiary of a 2.5% net smelter return royalty on the Amizmiz property, suffered damage resulting from the Company not having started production at its Amizmiz property. The Company is of the position that it has complied with all of its obligations and has made all required work on the property. At this stage, the results of the work programs do not justify the start of production on the Amizmiz property. The Company contested this lawsuit, which it considered unfounded. The Company has also filed a counterclaim against SEGM, alleging that the acquisition of this property was made on the basis of a technical

# Maya Gold & Silver Inc.

## Notes to Condensed Interim Consolidated Financial Statements

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### 17. COMMITMENTS AND CONTINGENCIES *(continued)*

report delivered by SEGM that was misleading as to the advancement of the work programs on the property. The Company claims reimbursement for all expenses incurred on the Amizmiz property.

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.