



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

2nd quarter ended June 30, 2017

In Canadian dollars

UNAUDITED

MAYA GOLD & SILVER INC.

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of the Corporation have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements.

Maya Gold & Silver Inc.
Condensed Interim Consolidated Statements of Financial Position
(in Canadian dollars) (Unaudited)

| | June 30, 2017 | December 31, 2016 |
|---|-------------------|----------------------|
| | \$ | \$ |
| ASSETS | | |
| Current | | |
| Cash | 2,153,369 | 4,266,854 |
| Sales taxes receivable | 1,311,535 | 1,000,446 |
| Inventories | 1,786,838 | 1,947,176 |
| Prepaid expenses and security deposits | 253,456 | 365,982 |
| | 5,505,198 | 7,580,458 |
| Non-current | | |
| Restricted investment | 20,000 | 20,000 |
| Advance to related parties | 4,515 | 80,477 |
| Non-refundable deposits to suppliers | 380,179 | 502,982 |
| Property, plant and equipment (Note 4) | 18,274,068 | 19,299,124 |
| Exploration and evaluation assets (Note 5) | 4,733,252 | 4,707,871 |
| TOTAL ASSETS | 28,917,212 | 32,190,912 |
| LIABILITIES | | |
| Current | | |
| Accounts payable and accrued liabilities | 3,490,632 | 3,107,803 |
| Interest and net profit interest payable to a related party (Note 13) | 258,899 | 607,324 |
| Balance of purchase price payable (Note 5) | 2,690,384 | 2,597,489 |
| Long-term debt (Note 6) | 99,465 | 96,345 |
| Convertible debentures (Note 7) | - | 3,004,566 |
| | 6,539,380 | 9,413,527 |
| Non-current | | |
| Balance of purchase price payable (Note 5) | 1,126,474 | 1,024,148 |
| Long-term debt (Note 6) | 7,806,772 | 8,116,677 |
| Asset retirement obligations | 983,168 | 977,779 |
| TOTAL LIABILITIES | 16,455,794 | 19,532,131 |
| EQUITY | | |
| Share capital (Note 8) | 46,874,586 | 45,714,774 |
| Share purchase warrants (Note 8) | 3,307,454 | 2,967,266 |
| Share purchase options (Note 9) | 1,427,575 | 1,724,575 |
| Equity component of convertible debentures | - | 2,013,721 |
| Contributed surplus | 6,726,204 | 4,415,483 |
| Deficit | (45,286,041) | (43,840,800) |
| Accumulated other comprehensive loss | (588,360) | (336,238) |
| TOTAL EQUITY | 12,461,418 | 12,658,781 |
| TOTAL LIABILITIES AND EQUITY | 28,917,212 | 32,190,912 |

Going concern (Note 2), Event after the reporting date (Note 15)
The accompanying notes are an integral part of these condensed interim consolidated financial statements.

On behalf of the Board,

/s/ Noureddine Mokaddem
Noureddine Mokaddem, President & CEO and Director

/s/ Robert Taub
Robert Taub, Director

Maya Gold & Silver Inc.
Condensed Interim Consolidated Statements of Comprehensive Loss
(in Canadian dollars) (Unaudited)

| | Three-month period ended | | Six-month period ended June | |
|---|--------------------------|------------------|-----------------------------|------------------|
| | June 30, | | 30, | |
| | 2017 | 2016 | 2017 | 2016 |
| | \$ | \$ | \$ | \$ |
| Expenses and other items | | | | |
| Management and administration (Note 10) | 340,106 | 576,388 | 759,358 | 821,042 |
| Investor relations and corporate development | 18,095 | 59,935 | 109,983 | 82,116 |
| Loss (gain) on foreign exchange | (216,040) | 507,901 | (342,071) | 1,055,940 |
| Operating loss for the period | 142,161 | 1,144,224 | 527,270 | 1,959,098 |
| Royalties | 90,238 | 91,452 | 172,244 | 162,636 |
| Net profit interest to a related party (Note 13) | 156,950 | 207,289 | 250,345 | 218,763 |
| Change in fair value of marketable securities – subscription shares | - | - | - | 12,723 |
| 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) |
| Loss before income taxes | 451,543 | 1,674,693 | 1,184,194 | 2,190,739 |
| Income tax expense | 131,095 | - | 240,770 | - |
| Net loss for the period | 582,638 | 1,674,693 | 1,424,964 | 2,190,739 |
| Other comprehensive loss | | | | |
| Items that will subsequently be reclassified to net loss: | | | | |
| Foreign currency translation of foreign subsidiaries | 226,043 | (167,504) | 252,122 | (623,256) |
| | 226,043 | (167,504) | 252,122 | (623,256) |
| Comprehensive loss for the period | 808,681 | 1,507,189 | 1,677,086 | 1,567,483 |
| Basic and diluted loss per common share for the period | 0.01 | 0.01 | 0.01 | 0.01 |
| Weighted average number of shares - basic and diluted | 204,655,855 | 187,239,616 | 207,784,154 | 173,221,539 |

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

Maya Gold & Silver Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(in Canadian dollars) (Unaudited)

| | Number of issued and outstanding shares | Share capital | Share purchase warrants | Share purchase options | Equity component of convertible debentures | Contributed surplus | Deficit | Accumulated other comprehensive loss | Total equity |
|---|---|-------------------|-------------------------|------------------------|--|---------------------|---------------------|--------------------------------------|---------------------|
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance as at December 31, 2016 | 199,339,616 | 45,714,774 | 2,967,266 | 1,724,575 | 2,013,721 | 4,415,483 | (43,840,800) | (336,238) | 12,658,781 |
| Issuance of units (Note 8a) | 11,538,460 | 1,159,812 | 340,188 | - | - | - | - | - | 1,500,000 |
| Maturity of convertible debentures | - | - | - | - | (2,013,721) | 2,013,721 | - | - | - |
| Share issue costs | - | - | - | - | - | - | (20,277) | - | (20,277) |
| Share purchase options expired (Note 9) | - | - | - | (297,000) | - | 297,000 | - | - | - |
| | 210,878,076 | 46,874,586 | 3,307,454 | 1,427,575 | - | 6,726,204 | (43,861,077) | (336,238) | 14,138,504 |
| Net loss for the period | - | - | - | - | - | - | (1,424,964) | - | (1,424,964) |
| Other comprehensive loss | - | - | - | - | - | - | - | (252,122) | (252,122) |
| Comprehensive loss for the period | - | - | - | - | - | - | (1,424,964) | (252,122) | (1,677,086) |
| Balance as at June 30, 2017 | 210,878,076 | 46,874,586 | 3,307,454 | 1,427,575 | - | 6,726,204 | (45,286,041) | (588,360) | (12,461,418) |
| Balance as at December 31, 2015 | 156,867,116 | 41,265,911 | 2,095,215 | 1,832,830 | 2,013,721 | 4,225,842 | (39,167,625) | (1,023,360) | 11,242,534 |
| Issuance of units | 30,372,500 | 2,644,333 | 1,000,367 | - | - | - | - | - | 3,644,700 |
| Share issue costs | - | - | - | - | - | - | (138,235) | - | (138,235) |
| Share issue as per Long-term Incentive Plan | 1,800,000 | 243,000 | - | - | - | - | - | - | 243,000 |
| Share purchase options expired | - | - | - | (117,055) | - | 117,055 | - | - | - |
| Share-based payments (Note 9) | - | - | - | 8,800 | - | - | - | - | 8,800 |
| | 189,039,616 | 44,153,244 | 3,095,582 | 1,724,575 | 2,013,721 | 4,342,897 | (39,305,860) | (1,023,360) | 15,000,799 |
| Net loss for the period | - | - | - | - | - | - | (2,190,739) | - | (2,190,739) |
| Other comprehensive loss | - | - | - | - | - | - | - | 623,256 | 623,256 |
| Comprehensive loss for the period | - | - | - | - | - | - | (2,190,739) | 623,256 | (1,567,483) |
| Balance as at June 30, 2016 | 189,039,616 | 44,153,244 | 3,095,582 | 1,724,575 | 2,013,721 | 4,342,897 | (41,496,599) | (400,104) | 13,433,316 |

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

Maya Gold & Silver Inc.

Consolidated Statements of Cash Flows

(in Canadian dollars)

| | Three-month period ended | | Six-month period ended | |
|---|--------------------------|--------------------|------------------------|--------------------|
| | 2017 | June 30, 2016 | 2017 | June 30, 2016 |
| Cash flows provided by (used in) | \$ | \$ | \$ | \$ |
| OPERATING ACTIVITIES | | | | |
| Net loss for the period | (582,638) | (1,674,693) | (1,424,964) | (2,190,739) |
| Adjustments for non-cash items | | | | |
| Share-based payments | - | 251,800 | - | 251,800 |
| Finance expense | 72,927 | 108,471 | 187,668 | 209,692 |
| Unrealized loss (gain) on foreign exchange | (447,903) | 278,961 | (508,870) | 1,030,407 |
| Change in fair value of marketable securities | - | - | - | 12,723 |
| Gain on disposal of marketable securities | - | (4,580) | - | (4,580) |
| Gain on extinguishment of debt | - | - | - | (709,571) |
| Changes in working capital items (Note 12) | (587,852) | (1,218,220) | 127,514 | (1,139,038) |
| | (1,545,466) | (2,258,261) | (1,618,652) | (2,539,306) |
| INVESTING ACTIVITIES | | | | |
| Acquisition of property, plant and equipment | (1,721,591) | (2,443,308) | (4,966,557) | (4,573,015) |
| Silver sales | 2,871,507 | 3,245,903 | 6,470,653 | 6,001,227 |
| Acquisition of exploration and evaluation assets | (16,461) | - | (25,381) | - |
| Proceed from sale of marketable securities | - | 43,633 | - | 43,633 |
| | 1,133,455 | 846,228 | 1,478,715 | 1,471,845 |
| FINANCING ACTIVITIES | | | | |
| Interest and net profit interest payable to a related party | 153,332 | - | (353,273) | - |
| Demand promissory note to a related party | - | (771,798) | - | (3,036,751) |
| Repayment of convertible debentures | (2,605,000) | - | (3,050,000) | - |
| Long-term debt | (25,299) | (656,341) | (49,998) | 4,944,343 |
| Issuance of shares and warrants (net of issue costs) | 300,000 | (66,578) | 1,479,723 | 3,506,465 |
| | (2,176,967) | (1,494,717) | (1,973,548) | 5,414,057 |
| Net change in cash | (2,588,978) | (2,906,750) | (2,113,485) | 4,346,596 |
| Cash, beginning of period | 4,742,347 | 7,629,673 | 4,266,854 | 376,327 |
| Cash, end of period | 2,153,369 | 4,722,923 | 2,153,369 | 4,722,923 |

Supplemental cash flow information (Note 12)

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

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

1. GENERAL INFORMATION

Maya Gold & Silver Inc. ("Maya") was incorporated on December 19, 2007 under the Canada Business Corporations Act and is listed on the TSX Venture Exchange ("TSXV") under the symbol "MYA". Maya's registered office is located at Suite 2901, 1 Place Ville-Marie, Montreal, Quebec, Canada.

Maya and its subsidiaries (together the "Corporation") are at the development stage for its Zgounder project and at exploration and evaluation stage for the other projects in Morocco. Their operations include the acquisition, exploration, evaluation and development of mining properties.

The Corporation's Zgounder mine in Morocco, is in the development phase and is currently being commissioned. The Zgounder property is held by Zgounder Millenium Silver Mining S.A ("ZMSM"), which is owned 85% by the Corporation and 15% by L'Office National des Hydrocarbures et des Mines ("ONHYM").

The Corporation has not yet determined whether its other projects contain ore resources that are economically recoverable. The recoverability of amounts shown as exploration and evaluation assets are dependent upon the existence of reserves on these properties, the ability to obtain all required permits, the ability of the Corporation to obtain necessary financing to complete the development of those projects and upon future profitable production from these projects or sufficient proceeds from their disposal thereof. The Corporation will periodically have to raise additional funds to continue operations, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future.

2. GOING CONCERN

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

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

2. GOING CONCERN (continued)

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.

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

The condensed interim consolidated financial statements of the Company for the six-month periods ended June 30, 2017 and 2016 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*. The same accounting policies and methods of computation were followed in the preparation of these condensed interim consolidated financial statements as were followed in the preparation of the consolidated financial statements for the year ended December 31, 2016 except for the new standards and interpretations effective January 1, 2017. 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, 2016 which have been prepared in accordance with IFRS.

The Audit Committee approved these condensed interim consolidated financial statements, effective August 24, 2017.

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

4. PROPERTY, PLANT AND EQUIPMENT

| | Computers, equipment and office furniture | Exploration and evaluation equipment | Mining assets under construction | Vehicles | Total |
|--|--|---|--|---------------|-------------------|
| | \$ | \$ | | \$ | \$ |
| Cost | | | | | |
| Balance at January 1, 2016 | 38,777 | 435,508 | 20,755,099 | 27,521 | 21,256,905 |
| Additions | - | - | 10,254,267 | - | 10,254,267 |
| Silver sales | - | - | (10,750,614) | - | (10,750,614) |
| Changes in asset retirement obligations | - | - | 65,308 | - | 65,308 |
| Foreign exchange | - | - | (1,024,936) | - | (1,024,936) |
| Balance at December 31, 2016 | 38,777 | 435,508 | 19,299,124 | 27,521 | 19,800,930 |
| Additions | - | - | 5,418,388 | - | 5,418,388 |
| Silver sales | - | - | (6,470,653) | - | (6,470,653) |
| Foreign exchange | - | - | 27,209 | - | 27,209 |
| Balance at June 30, 2017 | 38,777 | 435,508 | 18,274,068 | 27,521 | 18,775,874 |
| Accumulated depreciation | | | | | |
| Balance at January 1, 2016, December 31, 2016 and June 30, 2017 | 38,777 | 435,508 | - | 27,521 | 501,806 |
| Carrying amounts | | | | | |
| At December 31, 2016 | - | - | 19,299,124 | - | 19,299,124 |
| At June 30, 2017 | - | - | 18,274,068 | - | 18,274,068 |

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

All property, plant and equipment is located in Morocco.

The mining assets under construction include equipment under finance lease of 3,000,000 dirham (\$402,900).

Additions to mining assets under construction during the six-month period ended June 30, 2017 include an amount of \$353,557 [Year ended December 31, 2016 - \$672,979] related to capitalized interests

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

During the six-month period ended June 30, 2017 and the year ended December 31, 2016, changes in exploration and evaluation assets were as follows:

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

All exploration and evaluation assets are located in Morocco.

a) 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 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 all 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,
- a letter of credit amounting to 2,200,000 dirham (\$295,460) has been issued by the Corporation to the benefit of ONHYM, and
- all cash payments have been completed.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

5. EXPLORATION AND EVALUATION ASSETS (continued)

b) Balance of purchase price payable related to acquisition of Boumadine property

| | June 30, 2017 | December 31, 2016 |
|------------------------------------|------------------|----------------------|
| | \$ | \$ |
| Balance at beginning of the period | 3,621,637 | 4,290,268 |
| Accretion expense | 136,845 | 238,869 |
| Gain on extinguishment of debt | - | (709,571) |
| Foreign exchange | 58,376 | (197,929) |
| Balance at end of the period | 3,816,858 | 3,621,637 |
| Current portion | 2,690,384 | 2,597,489 |
| Non-current portion | 1,126,474 | 1,024,148 |

6. LONG-TERM DEBT

| | June 30, 2017 | December 31, 2016 |
|--------------------------------|------------------|----------------------|
| | \$ | \$ |
| Loan | 7,662,818 | 7,923,834 |
| Obligation under finance lease | 243,419 | 289,188 |
| | 7,906,237 | 8,213,022 |
| Current portion | 99,465 | 96,345 |
| Non-current portion | 7,806,772 | 8,116,677 |

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

| | Loan | Obligation under finance lease |
|---|-----------|-----------------------------------|
| | \$ | \$ |
| 2017 | - | 114,233 |
| 2018 | - | 114,233 |
| 2019 | 3,512,125 | 47,597 |
| 2020 | 3,512,125 | - |
| 2021 | 638,568 | - |
| Total minimum payments | 7,662,818 | 276,063 |
| Amounts included in minimum payments - interest | | (32,644) |
| | | 243,419 |

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

7. CONVERTIBLE DEBENTURES

| | June 30, 2017 | December 31, 2016 |
|------------------------------------|------------------|----------------------|
| | \$ | \$ |
| Balance at beginning of the period | 3,004,566 | 2,800,393 |
| Accretion expense | 45,434 | 204,173 |
| Repayments | (3,050,000) | - |
| Balance at end of the period | - | 3,004,566 |
| Current portion | - | 3,004,566 |
| Non-current portion | - | - |

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, 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.

8. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value.

a) Common Shares

Issuances during the six-month period ended June 30, 2017

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. An amount of \$340,188 was allocated to the share purchase warrants.

The fair value of the warrants was determined based on the Black-Scholes option pricing model using an expected volatility of 76%, a risk-free interest rate of 0.87%, and expected dividend yield of 0% and an expected life of 18 months.

In connection with the private placement, financing costs consisting of cash payments totaled \$20,277.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

8. SHARE CAPITAL (continued)

b) Share purchase warrants

The outstanding warrants as at June 30, 2017 and December 31, 2016 and the respective changes during the six-month period and year then ended are summarized as follows:

| | Six-month period ended | | Year ended | |
|--|------------------------|--------------------------------------|-------------------|--------------------------------------|
| | June 30, 2017 | | December 31, 2016 | |
| | Number | Weighted average exercise price (\$) | Number | Weighted average exercise price (\$) |
| Balance, beginning of period | 73,586,598 | 0.24 | 31,314,098 | 0.36 |
| Private placement | 11,538,460 | 0.20 | 40,672,500 | 0.15 |
| Issuance related to modifications of the terms of the loan | - | - | 4,000,000 | 0.28 |
| Expired | - | - | (2,400,000) | 0.50 |
| Balance, end of period | 85,125,058 | 0.23 | 73,586,598 | 0.24 |

At June 30, 2017, the outstanding number of warrants exercisable into common shares is as follows:

| | Number of warrants | | Number of warrants | Exercise price | Expiry date |
|---|--------------------|------------|--------------------|----------------|----------------|
| | December 31, 2016 | Issued | | | |
| Private placement- September 2015 | 1,430,000 | - | 1,430,000 | 0.35 | September 2018 |
| Broker warrants – September 2015 | 85,800 | - | 85,800 | 0.35 | September 2018 |
| Issuance related to conversion of debentures | 27,398,298 | - | 27,398,298 | 0.35 | July 2018 |
| Private placement – March 2016 | 30,372,500 | - | 30,372,500 | 0.15 | March 2018 |
| Private placement – July 2016 | 10,300,000 | - | 10,300,000 | 0.17 | June 2019 |
| Issuance related to modification of terms of the loan | 4,000,000 | - | 4,000,000 | 0.28 | November 2019 |
| Private placement – March 2017 | - | 11,538,460 | 11,538,460 | 0.20 | September 2018 |
| | 73,586,598 | 11,538,460 | 85,125,058 | | |

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2017 (in Canadian dollars) (Unaudited)

9. SHARE PURCHASE OPTIONS

The outstanding options as at June 30, 2017 and December 31, 2016 and the respective changes during the six-month period and year then ended are summarized as follows:

| | Six-month period ended June 30, 2017 | | Year ended December 31, 2016 | |
|----------------------------------|---|-------------------|---------------------------------|-------------------|
| | Number | \$ ⁽¹⁾ | Number | \$ ⁽¹⁾ |
| Balance, beginning of the period | 8,210,000 | 0.40 | 8,310,000 | 0.40 |
| Granted | - | - | 250,000 | 0.25 |
| Expired | (1,485,000) | 0.35 | (350,000) | 0.45 |
| Balance, end of the period | 6,725,000 | 0.41 | 8,210,000 | 0.40 |

(1) Weighted average exercise price

The following table reflects the share purchase options issued and outstanding at June 30, 2017:

| Issue date | Number | Exercise | Remaining | Number of options |
|------------|------------|----------|--------------------------|---------------------|
| | of options | price | contractual life (years) | Options exercisable |
| | Number | \$ | Number | Number |
| March 2013 | 3,475,000 | 0.35 | 0.54 | 3,475,000 |
| July 2013 | 200,000 | 0.35 | 1.00 | 200,000 |
| May 2014 | 2,700,000 | 0.50 | 1.83 | 2,700,000 |
| July 2014 | 100,000 | 0.50 | 0.01 | 100,000 |
| May 2016 | 250,000 | 0.25 | 0.75 | 250,000 |
| | 6,725,000 | 0.41 | 1.07 | 6,725,000 |

10. 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 |

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

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11. FINANCIAL INSTRUMENTS

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.

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

| | June 30, 2017 | | | |
|-----------------------------------|---------------|---------|--------------|--------------|
| Recurring measurements | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Balance of purchase price payable | - | - | (3,816,858) | (3,816,858) |
| Loan | - | - | (7,906,237) | (7,906,237) |
| | - | - | (11,723,095) | (11,723,095) |

During the six-month period ended June 30, 2017, there were no transfers between Level 1, Level 2 and Level 3 (2016 – None).

Current financial instruments that are not measured at fair value on the condensed interim consolidated statement of financial position are represented by cash, advance to related parties, restricted investment, accounts payable and accrued liabilities (except salaries and employee benefits) and 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 values of the balance of purchase price payable for the acquisition of the Boumadine property, obligation under finance lease and the loan are not materially different from their carrying values as there was no material change in the assumptions used for fair value determination at inception. Therefore, its principal amount approximates its fair value.

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12. SUPPLEMENTAL CASH FLOW INFORMATION

| | Three-month period ended June 30, | | Six-month period ended June 30, | |
|--|-----------------------------------|-------------|---------------------------------|-------------|
| | 2017 | 2016 | 2017 | 2016 |
| | \$ | \$ | \$ | \$ |
| Changes in working capital items | | | | |
| Sales taxes receivable | (96,573) | (33,270) | (263,735) | (187,603) |
| Inventories | (68,122) | (408,321) | 188,705 | 373,734 |
| Prepaid expenses and security deposits | 37,029 | (45,860) | 113,291 | 13,849 |
| Advances to related parties | - | 149 | 75,962 | 4,398 |
| Accounts payable and accrued liabilities | (91,205) | (730,918) | (118,932) | (1,343,416) |
| Non-refundable deposits to suppliers | (368,981) | - | 132,223 | - |
| | (587,852) | (1,218,220) | 127,514 | (1,139,038) |
| Non-cash transactions | | | | |
| Finance expense recorded in property, plant and equipment | 345,331 | - | 353,557 | - |
| Variation of unpaid additions of property, plant and equipment | 349,104 | - | 451,831 | - |
| Common shares issued pursuant to the long-term incentive plan | - | 243,000 | - | 243,000 |
| Interest paid | | | | |
| Interest paid, included in operating activities | - | 118,675 | 46,667 | 332,816 |

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13. RELATED PARTY TRANSACTIONS

In the normal course of operations, for the six-month period ended June 30, 2017 and 2016:

- 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 as share issuance costs (\$82,939 recorded as professional fees and 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 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 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 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. 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 |

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Notes to Condensed Interim Consolidated Financial Statements

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14. 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.

15. EVENT AFTER THE REPORTING DATE

Since June 30, 2017, 1,300,000 Common Share purchase warrants were exercised. Following these exercises, the Corporation received an aggregate amount of \$195,000.