



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

2nd quarter ended June 30, 2014

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, 2014	December 31, 2013
	\$	\$
ASSETS		
Current		
Cash and cash equivalents	5,511,369	157,410
Marketable securities	231,875	175,573
Sales taxes receivable	253,977	37,981
Inventories	349,993	-
Prepaid expenses and security deposits	412,051	53,225
	6,759,265	424,189
Non-current		
Restricted short-term investment	20,000	20,000
Advance to a related party	199,503	193,081
Property, plant and equipment (Note 5)	16,673,551	7,612,635
Exploration and evaluation assets (Note 6)	14,178,227	22,420,183
TOTAL ASSETS	37,830,546	30,670,088
LIABILITIES		
Current		
Accounts payable and accrued liabilities	1,082,027	905,892
Accounts payable and accrued liabilities to a related party (Note 14)	3,430,107	3,642,085
Balances of purchase price payable	2,529,014	4,452,227
Provision for environmental remediation	150,000	150,000
Credit facility (Note 7)	3,486,700	-
Derivative financial instrument (Note 7)	228,450	-
	10,906,298	9,150,204
Non-current		
Balances of purchase price payable	1,141,208	1,689,439
Asset retirement obligations and provision for environmental remediation	622,443	622,443
Convertible debentures (Note 8)	8,424,057	1,773,693
TOTAL LIABILITIES	21,094,006	13,235,779
EQUITY		
Share capital (Note 9)	27,219,414	26,806,931
Share purchase warrants (Note 9)	780,338	796,991
Share purchase options (Note 10)	1,840,687	1,418,154
Equity components of convertible debentures	1,297,543	264,511
Contributed surplus	3,627,295	3,617,095
Deficit	(18,034,477)	(15,492,933)
Accumulated other comprehensive income	5,740	23,560
TOTAL EQUITY	16,736,540	17,434,309
TOTAL LIABILITIES AND EQUITY	37,830,546	30,670,088

Going concern (Note 2), Events after the reporting date (Note 15)

The accompanying notes are an integral part of these consolidated interim financial statements. On behalf of the Board,

/s/ Guy Goulet

Guy Goulet, CEO and Director

/s/ Martin Wong

Martin Wong, Director

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

	Three months period ended		Six months period ended	
	June 30,		June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Expenses and other items				
Management and administration (Note 11)	1,192,794	529,465	1,520,696	1,345,395
Investor relations and corporate development	90,641	101,223	239,771	253,522
Loss (gain) on foreign exchange	453,926	(243,109)	223,804	(180,923)
Operating loss for the period	1,737,361	387,579	1,984,271	1,417,994
Change in fair value of marketable securities	(48,304)	(3,737)	(56,302)	36,606
Change in fair value of derivative financial instrument (Note 7)	(18,600)	-	131,850	-
Loss on disposal of marketable securities	-	321,371	-	321,371
Finance expense	640,471	119,773	862,553	141,472
Loss before income taxes for the period	2,310,928	824,986	2,922,372	1,917,443
Deferred income tax expense (recovery)	-	-	(380,828)	(40,391)
Net loss for the period	2,310,928	824,986	2,541,544	1,877,052
Other comprehensive loss				
Items that will subsequently be reclassified to income (loss):				
Foreign currency translation of foreign subsidiary	57,600	(24,956)	17,820	(24,781)
Change in fair value of marketable securities	-	140,803	-	721,004
Disposal of marketable securities – reclassification to net income (loss) of the realized loss	-	(338,290)	-	(338,290)
	57,600	(222,443)	17,820	357,933
Comprehensive loss for the period	2,368,528	602,543	2,559,364	2,234,985
Basic and diluted loss per share for the period	0.02	0.01	0.02	0.01
Weighted average number of shares - basic and diluted	116,246,451	109,088,759	116,048,704	108,538,592

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 components of convertible debentures	Contributed surplus	Deficit	Accumulated other comprehensive loss	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$
Balance as at December 31, 2013	115,848,759	26,806,931	796,991	1,418,154	264,511	3,617,095	(15,492,933)	23,560 ⁽¹⁾	17,434,309
Shares issued under long term incitative plan ("LTIP")	600,000	258,000	-	-	-	-	-	-	258,000
Equity component of convertible debentures	-	-	-	-	1,413,860	-	-	-	1,413,860
Deferred income tax	-	-	-	-	(380,828)	-	-	-	(380,828)
Share purchase warrants exercised (Note 9)	250,000	104,153	(16,653)	-	-	-	-	-	87,500
Exercise of share purchase options (Note 10)	90,000	50,330	-	(20,330)	-	-	-	-	30,000
Share purchase options expired	-	-	-	(10,200)	-	10,200	-	-	-
Share-based payments	-	-	-	453,063	-	-	-	-	453,063
	116,788,759	27,219,414	780,338	1,840,687	1,297,543	3,627,295	(15,492,933)	23,560	19,295,904
Net loss for the period	-	-	-	-	-	-	(2,541,544)	-	(2,541,544)
Other comprehensive loss	-	-	-	-	-	-	-	(17,820)	(17,820)
Comprehensive loss for the period	-	-	-	-	-	-	(2,541,544)	(17,820)	(2,559,364)
Balance as at June 30, 2014	116,788,759	27,219,414	780,338	1,840,687	1,297,543	3,627,295	(18,034,477)	5,740	16,736,540
Balance as at December 2012	107,639,967	24,652,678	3,076,865	860,375	-	1,689,107	(11,963,549)	(193,669)	18,121,807
Warrants exercised	330,000	167,773	(52,273)	-	-	-	-	-	115,500
Share issued under Long term incitative plan ("LTIP")	1,118,792	296,480	-	-	-	-	-	-	296,480
Share issue costs	-	-	-	-	-	-	(49,398)	-	(49,398)
Expiration of warrants	-	-	(1,054,333)	-	-	1,054,333	-	-	-
Deferred income tax	-	-	-	-	-	(40,391)	-	-	(40,391)
Equity component of the debenture	-	-	-	-	73,237	-	-	-	73,237
Share-based payments	-	-	-	361,254	-	-	-	-	361,254
	109,088,759	25,116,931	1,970,259	1,221,629	73,237	2,703,049	(12,012,947)	(193,669)	18,878,489
Net loss for the period	-	-	-	-	-	-	(1,877,052)	-	(1,877,052)
Other comprehensive loss	-	-	-	-	-	-	-	(357,933)	(357,933)
Comprehensive loss for the period	-	-	-	-	-	-	(1,877,052)	(357,933)	(2,234,985)
Balance as at June 30, 2013	109,088,759	25,116,931	1,970,259	1,221,629	73,237	2,703,049	(13,889,999)	(551,602)	16,643,504

The accompanying notes are an integral part of these condensed interim consolidated financial statements. (1) Composed of cumulative foreign currency translation of foreign subsidiary

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

	Three months period ended		Six months period ended June	
	2014	June 30, 2013	2014	30, 2013
Cash flows provided by (used in)	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(2,310,928)	(824,986)	(2,541,544)	(1,877,052)
Adjustments for non-cash items				
Share-based payments	666,547	144,808	711,063	657,734
Depreciation	-	2,927	-	5,853
Finance expense	303,508	97,833	424,358	97,833
Unrealized loss on foreign exchange	182,726	41,242	136,776	40,959
Change in fair value of marketable securities	(48,304)	(3,737)	(56,302)	36,606
Change in fair value of derivative financial instrument	(18,600)	-	131,850	-
Loss on disposal of marketable securities	-	321,371	-	321,371
Deferred income taxes recovery	-	-	(380,828)	(40,391)
Changes in working capital items (Note 13)	(903,695)	262,159	(744,723)	354,584
	(2,128,746)	41,617	(2,319,350)	(402,503)
INVESTING ACTIVITIES				
Disposal of marketable securities	-	479,429	-	479,429
Payment of balances of purchase price	(2,756,844)	(797,573)	(2,756,844)	(2,429,524)
Increase in exploration and evaluation assets	(669,683)	(362,608)	(871,359)	(475,399)
	(3,426,527)	(680,752)	(3,628,203)	(2,425,494)
FINANCING ACTIVITIES				
Accounts payable and accrued liabilities to a related party	89,567	-	(324,894)	-
Issuance of credit facility	-	-	3,620,904	-
Issuance of shares and warrants	117,500	(19,006)	117,500	66,102
Issuance of convertible debentures, net of issue costs	1,108,225	-	7,888,002	-
Issuance of debentures	-	490,000	-	490,000
	1,315,292	470,994	11,301,512	556,102
Net change in cash and cash equivalents	(4,239,981)	(168,141)	5,353,959	(2,271,895)
Cash and cash equivalents, beginning of period	9,751,350	684,843	157,410	2,788,597
Cash and cash equivalents, end of period	5,511,369	516,702	5,511,369	516,702

Supplemental cash flow information (Note 13)

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, 2014 (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 207, 10 de la Seigneurie Blvd. East, Blainville, Quebec, Canada.

Maya and its subsidiaries (the "Corporation") are at the exploration and evaluation and development stage and their operations include the acquisition, exploration, evaluation and development of mining properties. To date, the Corporation has not earned any revenue from mining operations.

In regard to its Zgounder property, starting in the second quarter of 2014, Maya has entered into the development phase and has commenced the commissioning activities at the Zgounder plant in Morocco. The transfer of the property title occurred in the second quarter of 2014 to a new company incorporated in January 2014, Zgounder Millenium Silver Mining S.A., owns at 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 mineral properties 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 reserves and upon future profitable production from these reserves 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 adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

For the six months period ended June 30, 2014, the Corporation reported a net loss of \$2,541,544 and has an accumulated deficit of \$18,034,477 at June 30, 2014. 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 development and exploration program and pay for general and administration costs. Management estimates that these funds will not be sufficient to meet the Corporation's obligations and proposed expenditures through the next 12 months. 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 months period ended June 30, 2014, the Corporation closed a US\$3,500,000 loan and \$8,300,000 unsecured convertible debentures and \$117,500 of share purchase warrants and options were exercised. While management has been successful in securing financing in the past, there can be no

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

2. GOING CONCERN (continued)

assurance that it will be able to do so in the future or that these sources of funding or initiatives will be available to the Corporation or that they will be available on terms which are acceptable to the Corporation. If management is unable to obtain new funding, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these condensed interim consolidated financial statements.

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*. These condensed interim consolidated financial statements follow the same accounting policies as the Company's most recent annual financial statements (except for the changes in accounting policies presented in Note 4) which are based on IFRS as well as accounting policies that became applicable for the present quarter. The Company's Board of Directors approved these condensed interim consolidated financial statements on August 28, 2014.

These condensed interim consolidated financial statements do not contain all of the information and disclosures required for annual financial statements, and should be read in conjunction with the Corporation's annual audited consolidated financial statements for the years ended December 31, 2013 and 2012.

The preparation of financial statements in accordance with IFRS requires management to use judgement and to make 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. Actual results could differ from those estimates. Significant accounts that require estimates as the basis for determining the stated amounts include exploration and evaluation assets, share-based payments and the allocation of financing proceeds. Differences may be material.

Inventories

Inventories consist of mine supplies and are measured at the lower of average purchase cost and net realizable value.

Exploration and evaluation assets

Exploration and evaluation assets are comprised of rights on mining properties or options to acquire undivided interests in mining rights, deferred exploration and evaluation expenses and mining properties. They are recorded at their acquisition cost or at their recoverable amount being the higher of their fair value less cost to sell or their value in use following a devaluation caused by an impairment of value. Expenditures incurred prior to securing the legal rights to explore an area are expensed immediately.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (continued)

Exploration and evaluation expenditures for each property are capitalized and include costs associated with prospecting, sampling, trenching, drilling and other work involved in searching for ore like topographical, geological, geochemical and geophysical studies. They also reflect costs related to establishing the technical and commercial viability of extracting a mineral resource identified through exploration or acquired through a business combination or asset acquisition. Exploration and evaluation expenditures include the cost of:

- establishing the volume and grade of deposits through drilling of core samples, trenching and sampling activities in an ore body;
- determining the optimal methods of extraction and metallurgical and treatment processes;
- studies related to surveying, transportation and infrastructure requirements;
- permitting activities; and
- economic evaluations to determine whether development of the mineralized material is commercially justified, including scoping, prefeasibility and feasibility studies.

Exploration and evaluation expenditures include overhead expenses directly attributable to the related activities.

Cash flows attributable to capitalized exploration and evaluation costs are classified as investing activities in the condensed consolidated statements of cash flows under the heading increase in exploration and evaluation assets and cash flows attributable to expensed general exploration and evaluation expenditures are classified as operating activities in the condensed consolidated statements of cash flows.

Proceeds on the sale of interests in exploration properties are applied to reduce the related carrying costs; any excess is reflected as a gain in the consolidated statement of comprehensive loss. Losses on partial sales are recognized and reflected in the consolidated statement of comprehensive loss.

As at June 30, 2014, all of the Corporation's mining properties are still under the scope of IFRS 6 and therefore subject to the accounting policy as described in the annual audited financial statements as at December 31, 2013 except for the Zgounder property which is, starting in the second quarter of 2014, in development stage.

Management has determined that the Zgounder property has reached the development phase, based on the criteria described in the following paragraphs:

Exploration and evaluation assets are transferred to assets under construction within property, plant and equipment once:

- The Corporation has completed a preliminary feasibility study;
- Funds have been secured and deemed sufficient for the development of the property;
- All required permits have been obtained;
- Other criteria according to the judgment of management based on the unique nature of each project.

During the second quarter of 2014 and based on a review by the Board of Directors, the property was considered to enter into the development stage.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (continued)

When technical feasibility and commercial viability of extracting a mineral resource is demonstrate, exploration and evaluation assets related to the mining property are transferred to property, plant and equipment in Mining assets under construction. Before the reclassification, exploration and evaluation assets are tested for impairment (see Note 6) and any impairment loss is recognized in profit or loss before reclassification

Mining assets under construction

When a mine project reaches the development phase, exploration and evaluation expenditures are tested for impairment and subsequent costs are capitalized to mine development costs in property and equipment. The development expenditures are capitalized net of proceeds from sale of ore extracted during the development phase.

Assets under construction consist of items of property, plant and equipment in the course of construction or mineral properties in the course of development, including those transferred upon completion of the exploration and evaluation phase. Assets under construction are not amortized. On completion of construction or development, costs are transferred to property, plant and equipment and/or mining properties as appropriate based on the following criteria:

- Production capacity achieved;
- Recovery grade;
- Completion of a reasonable period of testing of the mine plant and equipment;
- Stage of completion of development work.

Mining properties

Mining properties consist of costs transferred from assets under construction when a mining property reaches commercial production, costs of subsequent mine development, and acquired mining properties in the production stage.

Mining properties include costs directly attributable to bringing a mineral asset into the state where it is capable of operating in the manner intended by management. The determination of development costs to be capitalized during the production stage of a mine operation requires the use of judgment and estimates.

Subsequent mine development costs are capitalized to the extent they are incurred in order to access reserves mineable over more than one year. Ongoing exploration maintenance and development expenditures are expensed as incurred in cost of sales in profit or loss.

Significant additional management judgments in applying accounting policies for the six months period ended June 30, 2014

Start of development phase

The Corporation evaluates the potential of each project to determine when the project should progress from the exploration and evaluation phase to the development phase. Once management has determined that a project has demonstrated a potential for development based on a number of judgemental criteria and once approval by the Board of Directors, the project moves into the development phase.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

3. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION (continued)

Start of commercial production phase

The Corporation assesses the stage of completion of each mining assets under construction to determine when it begins commercial production. This being when the mine is substantially complete and ready for its intended use. The criteria used to assess the start date are determined based on the unique nature of each mine construction project, such as the complexity of the project and its location. The Corporation considers various relevant criteria to assess when the production phase is considered to have commenced. At this point, all related amounts are reclassified from mining assets under construction to mining properties. Some of the criteria used to identify the commercial production start date include, but are not limited to:

- Production capacity achieved;
- Recovery and grade;
- Completion of a reasonable period of testing of the mine plant and equipment;
- Stage of completion of development work.

4. CHANGE IN ACCOUNTING POLICIES

IFRIC 21, Levies ("IFRIC 21")

In May 2013, the IASB issued IFRIC 21, which is effective for annual periods beginning on or after January 1, 2014 and is to be applied retrospectively. IFRIC 21 provides guidance on accounting for levies in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*. The interpretation defines a levy as an outflow from an entity imposed by a government in accordance with legislation and confirms that an entity recognizes a liability for a levy only when the triggering event specified in the legislation occurs. The adoption of IFRIC 21 did not affect the Corporation.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

5. PROPERTY, PLANT AND EQUIPMENT

	Computers, equipment and office furniture	Exploration and evaluation equipment	Buildings and equipment related to mining production	Mining assets under construction	Vehicles	Total
	\$	\$	\$		\$	\$
Cost						
Balance at January 1, 2013	67,447	462,745	250,000	-	74,586	854,778
Additions	529	-	7,330,400	-	-	7,330,929
Foreign exchange	3,098	2,942	-	-	5,082	11,122
Balance at December 31, 2013	71,074	465,687	7,580,400	-	79,668	8,196,829
Additions	-	-	-	481,266	-	481,266
Reclassifications	-	-	(7,580,400)	7,580,400	-	-
Transfer from E&E assets	-	-	-	8,601,183	-	8,601,183
Foreign exchange	(74)	(70)	-	(17,221)	(120)	(17,485)
Balance at June 30, 2014	71,000	465,617	-	16,645,628	79,548	17,261,793
Accumulated depreciation						
Balance at January 1, 2013	45,346	217,259	-	-	50,340	312,945
Depreciation	15,303	115,466	-	-	13,865	144,634
Impairment	-	119,672	-	-	-	119,672
Foreign exchange	1,989	1,522	-	-	3,432	6,943
Balance at December 31, 2013	62,638	453,919	-	-	67,637	584,194
Depreciation	1,301	1,210	-	-	1,856	4,367
Foreign exchange	(94)	(78)	-	-	(147)	(319)
Balance at June 30, 2014	63,845	455,051	-	-	69,346	588,242
Carrying amounts						
At December 31, 2013	8,436	11,768	7,580,400	-	12,031	7,612,635
At June 30, 2014	7,155	10,566	-	16,645,628	10,202	16,673,551

Depreciation expense of \$5,853 for the six months period ended June 30, 2013 was included in the condensed consolidated statement of comprehensive loss and an amount of \$4,367 (2012 - \$65,947) was charged to deferred exploration and evaluation expenses.

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

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment are located as follows:

	Computers, equipment and office furniture	Exploration and evaluation equipment	Buildings and equipment related to mining production	Mining assets under construction	Vehicles	Total
	\$	\$	\$	\$	\$	\$
Morocco	7,155	10,566	-	16,645,628	10,202	16,673,551
	7,155	10,566	-	16,645,628	10,202	16,673,551

6. EXPLORATION AND EVALUATION ASSETS

Changes in exploration and evaluation assets were as follows:

	June 30, 2014	December 31, 2013
Rights on mining properties		
Opening balance	14,612,856	9,915,519
Additions	-	4,438,257
Foreign exchange	(6,120)	259,080
Transfer to PP&E	(5,547,250)	-
Ending balance	9,059,486	14,612,856
Advances for property acquisition and exploration and evaluation work		
Opening balance	-	3,156,356
Advances during the year	-	1,830,000
Applied on acquisition of rights and mining properties	-	(739,399)
Applied as buildings and equipment related to mining production and as deferred exploration and evaluation expenses	-	(4,246,957)
Ending balance	-	-
Deferred exploration and evaluation expenses		
Opening balance	7,807,327	5,278,634
Additions		
Salaries and benefits	87,322	183,184
Drilling and sampling	-	626,967
Geology and consulting	201,476	941,866
Supplies and others	15,631	184,624
Administrative	64,254	181,874
Depreciation	4,367	132,929
Foreign exchange	(7,703)	277,249
Transfer to PP&E	(3,053,933)	-
Ending balance	5,118,741	7,807,327
Balance, end of period	14,178,227	22,420,183

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation assets are as follows:

	Morocco	June 30, 2014 Total
	\$	\$
Rights on mining properties	9,059,486	9,059,486
Deferred exploration and evaluation expenses	5,118,741	5,118,741
	14,178,227	14,178,227

At the time Zgounder entered into development stage, the Corporation performed an impairment test. The recoverable amount of Zgounder property was determined based on value-in-use calculations, covering a detailed eight-year forecast. Actual reserves presented in the pre-feasibility study were used for the first six years of this forecast. An additional two years was added to the forecast resulting of the conversion of some of actual resources into reserves following a significant exploration program during the first six years. Since Zgounder property was the first property entered into development stage for the Corporation, the Corporation's management believes that using the pre-feasibility study is the best available input for forecasting this new mine. The expected cash flow was discounted using a 15% discount rate that reflects appropriate adjustments relating to market and specific risk factors for the property.

Apart from the considerations in determining the value-in-use for the Zgounder property described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

Consequently, no impairment was required on the transition date of the Zgounder property from the exploration to development phase and related accumulated costs as of that date (\$5,547,250 related to mining rights and \$3,053,933 related to other exploration and evaluation expenses) were transferred to mining assets under construction into property, plant and equipment.

7. CREDIT FACILITY

On February 4, 2014, the Corporation entered into a facility agreement (the "Facility Agreement") for a credit facility in a principal amount of \$US6,000,000 (\$6,402,000), of which \$US3,500,000 (\$3,734,500) was drawn immediately available (the "Initial Facility"). The Initial Facility is a 12-month loan maturing on January 31, 2015 and bearing interest at 12% per annum. The principal amount and the interest were originally repayable in nine consecutive monthly instalments commencing on May 31, 2014 from the cash generated by the operations of Zgounder Silver Mine. In May 2014, the Corporation and the lender agreed to postpone the beginning of capital payment from May 31, 2014 to July 31, 2014 and further in June 2014, the Corporation and the lender agreed to postpone the capital payment of July 31, 2014 to August 2014.

Pursuant to the Facility Agreement, a further loan of \$US2,500,000 (\$2,667,500) with a twelve-month term will be available to the Corporation no earlier than six months after the date of the Facility Agreement, for an aggregate facility of \$US6,000,000 (\$6,402,000). Under the terms of the Facility Agreement, the lender was granted a silver ounce fee of \$US0.25 / ounce (\$0.27 / ounce) of silver ingots delivered by the Zgounder Silver Mine to a refiner.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

7. CREDIT FACILITY (continued)

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

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

If the Corporation fails to pay any amount payable under the Facility Agreement, the lender may require the Corporation to issue a number of common shares in sufficient net value to satisfy the Corporation's obligation to pay any unpaid amount. An issuance cost of \$247,646 was paid in total in relation with this closing.

Pursuant to the terms and conditions of the Facility Agreement and for the duration of the agreement, the Corporation deposited in a reserve account an amount of \$US140,000 (\$149,380).

The credit facility is a compound financial instrument and as such it has been recorded under the requirements of IAS 32, as a debt and as derivative financial instrument for the 1,500,000 options to purchase common shares at a price of \$0.35. Consequently, the derivative financial instrument was valued first, and the difference between the proceeds of the credit facility and the estimated value of the options was assigned to the debt. The derivative financial instrument will be evaluated on a quarterly basis with variation in fair value recognized in the profit or loss. As at February 4, 2014, the Corporation recognized a derivative liability of \$96,600 for the 1,500,000 options granted to the lender. The estimated value amounted to \$228,450 as at June 30, 2014 and the variation of \$131,850 was recognized in the profit or loss during the period. The Corporation used the Black-Scholes option pricing model to value the options at the issuance date and used the same model to value this element at the end of period. The carrying amount of the debt was increased monthly by periodic accretion under the effective interest method based on a rate of 15%.

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

	Expiry date	Fair value as at February 4, 2014	Fair value as at June 30, 2014
		\$	\$
1,500,000 options granted to the lender	March 31, 2015	96,600	228,450

Maya Gold & Silver Inc.
Notes to Condensed Interim Consolidated Financial Statements
June 30, 2014 (in Canadian dollars) (Unaudited)

8. DEBENTURES

	Non- convertible	Convertible	Total
	\$	\$	\$
Balance at December 31, 2012	1,760,000	-	1,760,000
Issuance of 6,760,000 shares for the settlement of \$1,690,000 debentures (Note 9)	(1,690,000)	-	(1,690,000)
Transfer in accounts payable and accrued liabilities (for settlement in cash or silver ingot)	(70,000)	-	(70,000)
Issuance of convertible debentures	-	2,200,000	2,200,000
Issuance costs	-	(80,863)	(80,863)
Equity component	-	(361,846)	(361,846)
Accretion expense	-	16,402	16,402
Balance at December 31, 2013	-	1,773,693	1,773,693
Issuance of convertible debentures	-	8,300,000	8,300,000
Issuance costs	-	(411,998)	(411,998)
Equity component	-	(1,413,860)	(1,413,860)
Accretion expense	-	176,222	176,222
Balance at June 30, 2014	-	8,424,057	8,424,057

Convertible debentures into common shares or silver ingots

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

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

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

An issuance cost of \$411,998 was paid in total in relation with this closing.

The debentures issued will be subject to a statutory hold period of four months and one day from the date of issuance in accordance with applicable securities legislation.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

8. DEBENTURES (continued)

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

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

9. SHARE CAPITAL AND WARRANTS

Authorized

Unlimited number of common shares without par value.

Issuance of securities

2014

In June 2014, 90,000 options were exercised for an amount of \$30,000.

In April 2014, 250,000 warrants were exercised for an amount of \$87,500.

On May 2014, the Corporation issued in total 600,000 common shares, 300,000 common share to each of the CEO and President, under the share-based awards determined pursuant to the LTIP. The market price of the common shares on May 21, 2014 was \$0.43.

Share purchase warrants

At June 30, 2014, the outstanding number of warrants exercisable into common shares is as follows:

	Number of warrants December 31, 2013	Issued	Expired	Exercised	Number of warrants June 30, 2014	Price per share	Expiry date
Private placement– September 2012	2,500,000	-	-	-	2,500,000	0.35	Sept 2014
Private placement – December 2012	9,404,000	-	-	(250,000)	9,154,000	0.35	Nov 2014
Broker warrants – November 2012	70,000	-	-	-	70,000	0.35	Nov 2014
Private placement of 2012 – Completed in May 2013	3,500,000	-	-	-	3,500,000	0.35	Oct 2014
	15,474,000	-	-	(250,000)	15,224,000	0.35	

Maya Gold & Silver Inc.
Notes to Condensed Interim Consolidated Financial Statements
June 30, 2014 (in Canadian dollars) (Unaudited)

10. SHARE PURCHASE OPTIONS

The following table sets out the activity in share purchase options:

	Six months ended June 30, 2014	
	Number	\$ (1)
Balance, beginning of period	6,935,000	0.35
Granted	2,700,000	0.50
Exercised	(90,000)	0.33
Expired	(175,000)	0.35
Balance, end of period	9,370,000	0.39

(1) Weighted average exercise price

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

The weighted average fair value of \$0.22 of the 2,700,000 share purchase options granted in 2014 was estimated using the Black-Scholes option pricing model at the date of issuance.

The following table reflects the share purchase options issued and outstanding at June 30, 2014:

Issue date	Number of options	Exercise price	Remaining contractual life (years)	Number of options exercisable
	Number	\$	Number	Number
September 2009	200,000	0.40	0.2	200,000
October 2009	50,000	0.48	0.3	50,000
February 2010	150,000	0.40	0.6	150,000
July 2010	760,000	0.25	1.0	760,000
March 2011	350,000	0.45	1.7	350,000
March 2012	1,485,000	0.35	2.9	1,485,000
March 2013	3,475,000	0.35	3.5	2,895,833
July 2013	200,000	0.35	4.0	150,000
May 2014	2,700,000	0.50	4.8	1,615,000
	9,370,000	0.39	3.4	7,655,833
Weighted average exercise price (\$)				0.38

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

11. MANAGEMENT AND ADMINISTRATION EXPENSES

	Three months period ended June 30,		Six months period ended June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Salaries and benefits	133,348	117,143	237,491	224,715
Bonuses(1)	443,000	-	443,000	296,480
Consulting fees	40,000	104,213	71,250	162,790
Share-based payments	408,547	144,808	453,063	361,254
Office	22,967	31,932	84,059	70,986
Professional fees	131,690	111,149	201,762	190,398
Regional office – Mexico	1,049	1,525	2,598	3,007
Reporting issuer costs	12,193	15,768	27,473	29,912
Depreciation	-	2,927	-	5,853
	1,192,794	529,465	1,520,696	1,345,395

(1) Include share-based payment of \$258,000 in 2014 related to the common shares issued pursuant to the LTIP (\$296,480 for the six months period ended June 30, 2013).

12. FAIR VALUE OF FINANCIAL INSTRUMENT

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. As a June 30, 2014, Marketable securities in the amount of \$231,875 was categorized as level 1 (December 31, 2013 – \$175,573).

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). As at June 30, 2014, there were no financial assets and liabilities categorized as level 2 (December 31, 2013 – nil).

Level 3: Inputs for the asset or liability that are not based on observable market data. As at June 30, 2014, Derivative financial instrument in the amount of \$228,450 was categorized as Level 3 (December 31, 2013 – nil).

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

Recurring measurements	June 30, 2014			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Marketable securities				
Ordinary shares	215,914	-	-	215,914
Subscription shares	15,961	-	-	15,961
Derivative financial instrument	-	-	(228,450)	(228,450)
	231,875	-	(228,450)	3,425

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

12. FAIR VALUE OF FINANCIAL INSTRUMENT (Continued)

During the six months period ended June 30, 2014, there were no transfers between Level 1, Level 2 and Level 3.

Financial instruments that are not measured at fair value on the condensed interim consolidated statement of financial position are represented by cash and cash equivalents, advance to a related party, restricted short-term investment and accounts payable and accrued liabilities. Their carrying values are considered to be a reasonable approximation of their fair value because of the short-term maturity and contractual terms of these instruments.

The fair value of balance of purchase price for the acquisition of the Boumadine property, credit facility and debentures is not materially different from their carrying value because there was no material change in the assumptions used between initial recognition and June 30, 2014.

13. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months period ended June 30,		Six months period ended June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Changes in working capital items				
Sales taxes receivable and other receivable	(119,093)	(29,755)	(228,893)	9,663
Inventories	(349,993)	-	(349,993)	-
Prepaid expenses and security deposits	(243,026)	10,975	(366,732)	(14,411)
Accounts payable and accrued liabilities	(191,583)	280,939	200,895	359,332
	(903,695)	262,159	(744,723)	354,584
Non-cash transactions				
Common shares issued pursuant to the LTIP	258,000	-	258,000	296,480
Acquisition of assets included in balances of purchase price payable	-	-	-	2,639,757
Acquisition of assets included in advance to a private company	-	-	-	1,798,500
Acquisition of property and equipment and exploration and evaluation assets included in liability for acquisition of property and equipment and exploration and evaluation assets	-	-	-	6,216,443
Depreciation included in exploration and evaluation assets	-	32,980	-	65,947

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

14. RELATED PARTY TRANSACTIONS

In the normal course of operations, for the six months period ended June 30, 2014 and 2013:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to \$71,182 recorded as professional fees and issuance costs of debentures and credit facility. (\$50,034 in 2013 recorded as professional fees);
- A firm, of which a director of the Corporation is a partner, charged fees of \$35,000 as issuance costs of credit facility (nil in 2013);
- A company controlled by an officer charged professional fees of \$8,955 (\$15,969 in 2013);
- Global Works, Assistance and Trading S.A.R.L. ("Glowat"), a Moroccan private company owned by a party related to an officer who is also director of the Corporation, charged as part of a project management agreement, management and service fees of \$135,628 which were capitalized to exploration and evaluation assets (\$44,168 in 2013);
- An officer of the Corporation charged consulting fees of \$62,500 (\$8,821 in 2013).

During the six months period ended June 30, 2014, the Corporation engaged Glowat to perform exploration and evaluation activities, to acquire property, plant and equipment and mining rights. The Corporation advanced \$1,500,000 to Glowat in 2014 (\$700,000 in 2013), which were applied against the related amounts due to Glowat. As a result, the net amount owed to Glowat as at June 30, 2014 were \$3,430,107 (26,385,444 dirham), (\$3,642,085 as at December 31, 2013).

As at June 30, 2014, the balance due to the related parties (excluding the accounts payable and accrued liabilities to Glowat which are presented separately in the consolidated statement of financial position) amounted to \$209,198 (\$268,834 at December 31, 2013). This amount is subject to the same conditions as those of non-related parties.

Remuneration of key management personnel of the Corporation

The remuneration of key management personnel, including all directors and officers, is as follows:

	Three months period ended June 30,		Six months period ended June 30,	
	2014	2013	2014	2013
	\$	\$	\$	\$
Salaries and benefits and bonuses	543,000	202,526	643,000	392,359
Management consulting fees	197,418	-	313,265	-
Directors fees	7,500	10,000	23,500	14,812
Share-based payment	347,265	123,887	385,103	307,066
	1,095,183	169,881	1,364,868	714,237

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2014 (in Canadian dollars) (Unaudited)

15. EVENTS AFTER THE REPORTING DATE

Exercise of warrants

On August 2014, 214,286 warrants were exercised for an amount of \$75,000.

Contingency

On July 2014, Société d'Exploration Géologique des Métaux ("SEGM") filed a lawsuit against its wholly-subsiary of the Corporation in Morocco, alleging that SEGM, beneficiary of a 2.5% net smelter return royalty on the Amizmiz property, suffered damage resulting from the Corporation not started production at Amizmiz property. The Corporation is of the position that it has complied with all of its obligations and has made all requested work on the property. At this stage, the results of the work programs concluded do not justify the start of production on the Amizmiz property. The Corporation is contesting this lawsuit, which it considers unfounded. The Corporation also has filed a counterclaim against SEGM, alleging that the acquisition of this property was made on the basis of a technical report delivered by 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.

Share purchase options

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

Share-based payment

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