



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS**

2nd quarter ended June 30, 2016

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, 2016	December 31, 2015
	\$	\$
ASSETS		
Current		
Cash	4,722,923	376,327
Marketable securities	-	51,776
Sales taxes receivable	976,155	869,690
Inventories	1,358,944	1,703,736
Prepaid expenses and security deposits	355,596	346,705
	7,413,618	3,348,234
Non-current		
Restricted investment	20,000	20,000
Advance to related parties	88,483	92,881
Property, plant and equipment (Note 4)	18,418,241	20,755,099
Exploration and evaluation assets (Note 5)	4,551,431	4,551,431
TOTAL ASSETS	30,491,773	28,767,645
LIABILITIES		
Current		
Accounts payable and accrued liabilities	2,122,512	3,560,024
Demand promissory note due to a related party (Note 13)	1,541,972	4,724,315
Balance of purchase price payable (Note 5)	1,993,500	4,290,268
Long-term debt (Note 6)	93,364	925,213
Convertible debentures (Note 7)	2,890,839	45,908
	8,642,187	13,545,728
Non-current		
Balance of purchase price payable (Note 5)	1,521,466	-
Long-term debt (Note 6)	5,987,183	323,535
Asset retirement obligations	907,621	901,363
Convertible debentures (Note 7)	-	2,754,485
TOTAL LIABILITIES	17,058,457	17,525,111
EQUITY		
Share capital (Note 8)	44,153,244	41,265,911
Share purchase warrants (Note 8)	3,095,582	2,095,215
Share purchase options (Note 9)	1,724,575	1,832,830
Equity component of convertible debentures	2,013,721	2,013,721
Contributed surplus	4,342,897	4,225,842
Deficit	(41,496,599)	(39,167,625)
Accumulated other comprehensive income (loss)	(400,104)	(1,023,360)
TOTAL EQUITY	13,433,316	11,242,534
TOTAL LIABILITIES AND EQUITY	30,491,773	28,767,645

Going concern (Note 2), Events after the reporting date (Note 14)
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-month period ended		Six-month period ended	
	June 30,		June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Expenses and other items				
Management and administration (Note 10)	576,388	330,914	821,042	684,371
Investor relations and corporate development	59,935	71,661	82,116	181,077
Loss (gain) on foreign exchange	507,901	(332,966)	1,055,940	180,305
Operating loss for the period	1,144,224	69,609	1,959,098	1,045,753
Royalties	91,452	91,962	162,636	91,962
Net profit interest to a related party (Note 13)	207,289	66,908	218,763	66,908
Change in fair value of marketable securities – subscription shares	-	10,393	12,723	14,908
Impairment of marketable securities - shares	-	-	-	91,362
Gain on disposal of marketable securities	(4,580)	-	(4,580)	-
Change in fair value of derivative financial instruments (Note 6)	-	22,700	-	71,866
Finance expense	236,308	749,115	551,670	1,332,926
Gain on extinguishment of debt	-	-	(709,571)	-
Net loss for the period	1,674,693	1,010,687	2,190,739	2,715,685
Other comprehensive loss				
Items that will subsequently be reclassified to net loss:				
Foreign currency translation of foreign subsidiaries	(167,504)	34,626	(623,256)	8,269
Change in fair value of marketable securities	-	15,187	-	48,167
Impairment of marketable securities – shares – reclassification to net loss	-	-	-	(91,362)
	(167,504)	49,813	(623,256)	(34,926)
Comprehensive loss for the period	1,507,189	1,060,500	1,567,483	2,680,759
Basic and diluted loss per common share for the period	0.01	0.01	0.01	0.02
Weighted average number of shares - basic and diluted	187,239,616	127,403,474	173,221,539	125,228,888

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 income (loss)	Total equity
		\$	\$	\$	\$	\$	\$	\$	\$
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 (Note 8)	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
Balance as at December 31, 2014	122,603,474	29,641,702	-	1,925,482	1,297,543	4,036,692	(30,431,465)	(27,226)	6,442,728
Issuance of units (Note 8)	4,800,000	1,127,414	72,586	-	-	-	-	-	1,200,000
Share issue costs	-	-	-	-	-	-	(14,270)	-	(14,270)
Share purchase options expired	-	-	-	(26,550)	-	26,550	-	-	-
Share-based payments (Note 9)	-	-	-	69,807	-	-	-	-	69,807
	127,403,474	30,769,116	72,586	1,968,739	1,297,543	4,063,242	(30,445,735)	(27,226)	7,698,265
Net loss for the period	-	-	-	-	-	-	(1,704,998)	-	(1,704,998)
Other comprehensive loss	-	-	-	-	-	-	-	84,739	84,739
Comprehensive loss for the period	-	-	-	-	-	-	(1,704,998)	84,739	(1,620,259)
Balance as at June 30, 2015	127,403,474	30,769,116	72,586	1,968,739	1,297,543	4,063,242	(32,150,733)	57,513	6,078,006

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	
	2016	June 30, 2015	2016	June 30, 2015
Cash flows provided by (used in)	\$	\$	\$	\$
OPERATING ACTIVITIES				
Net loss for the period	(1,674,693)	(1,010,687)	(2,190,739)	(2,715,685)
Adjustments for non-cash items				
Share-based payments	251,800	24,769	251,800	94,576
Finance expense	108,471	227,743	209,692	494,107
Unrealized loss (gain) on foreign exchange	278,961	(106,195)	1,030,407	149,877
Change in fair value of marketable securities	-	10,393	12,723	14,908
Impairment of marketable securities	-	-	-	91,362
Change in fair value of derivative financial instruments	-	22,700	-	71,866
Gain on disposal of marketable securities	(4,580)	-	(4,580)	-
Gain on extinguishment of debt	-	-	(709,571)	-
Changes in working capital items (Note 12)	(1,218,220)	559,863	(1,139,038)	940,491
	(2,258,261)	(271,414)	(2,539,306)	(858,498)
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	(2,443,308)	(2,092,385)	(4,573,015)	(3,159,184)
Silver sales	3,245,903	1,840,382	6,001,227	3,065,411
Proceed from sale of marketable securities	43,633	-	43,633	-
	846,228	(252,003)	1,471,845	(93,773)
FINANCING ACTIVITIES				
Demand promissory note to a related party	(771,798)	29,328	(3,036,751)	27,620
Long-term debt	(656,341)	(768,449)	4,944,343	(1,512,546)
Issuance of shares and warrants (net of issue costs)	(66,578)	(3,241)	3,506,465	1,182,489
	(1,494,717)	(742,362)	5,414,057	(302,437)
Net change in cash	(2,906,750)	(1,265,779)	4,346,596	(1,254,708)
Cash, beginning of period	7,629,673	2,149,659	376,327	2,138,588
Cash, end of period	4,722,923	883,880	4,722,923	883,880

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, 2016 (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 (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.

In regard to its Zgounder property, Maya has entered, in the second quarter of 2014, into the development phase and has commenced the commissioning activities at the Zgounder mine in Morocco. The transfer of the property title occurred in the second quarter of 2014 to a new company incorporated in January 2014, Zgounder Millennium Silver Mining S.A., owned at 85% by the Corporation and 15% by L'Office National des Hydrocarbures et des Mines ("ONHYM").

In regard of 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 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 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-month period ended June 30, 2016, the Corporation reported a net loss of \$2,190,739. As at June 30, 2016, the Corporation had an accumulated deficit of \$41,496,599 and a negative working capital of \$1,228,569, including cash of \$4,722,923. 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 program, pursue its mining development at Zgounder and pay for general and administration costs. Any funding shortfall may be met in the future in a number of ways including but not limited to, the issuance of new equity, debt financing or other means. During the first half of 2016, the Corporation raised \$3,644,700 from issuance of units and drew down US\$4,500,000 from its debt agreement that was closed in 2015. (See note 14 – Events after the reporting date for detail of additional financings).

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2016 (in Canadian dollars) (Unaudited)

2. GOING CONCERN

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. 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 Corporation's most recent annual financial statements which are based on IFRS. The Corporation's Audit Committee approved these condensed interim consolidated financial statements on August 24, 2016.

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, 2015 and 2014.

The preparation of 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, 2016 (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 December 31, 2014	70,480	465,131	19,158,950	78,708	19,773,269
Additions	-	-	5,074,537	-	5,074,537
Silver sales	-	-	(5,150,424)	-	(5,150,424)
Changes in asset retirement obligations	-	-	43,394	-	43,394
Impairment	(31,703)	(29,623)	-	(51,187)	(112,513)
Foreign exchange	-	-	1,628,642	-	1,628,642
Balance at December 31, 2015	38,777	435,508	20,755,099	27,521	21,256,905
Additions	-	-	4,415,045	-	4,415,045
Capitalized interest	-	-	157,970	-	157,970
Silver sales	-	-	(6,001,227)	-	(6,001,227)
Foreign exchange	-	-	(908,646)	-	(908,646)
Balance at June 2016	38,777	435,508	18,418,241	27,521	18,920,047
Accumulated depreciation					
Balance at December 31, 2014	70,480	465,131	-	78,708	614,319
Impairment	(31,703)	(29,623)	-	(51,187)	(112,513)
Balance at December 31, 2015	38,777	435,508	-	27,521	501,806
Foreign exchange	-	-	-	-	-
Balance at June 30, 2016	38,777	435,508	-	27,521	501,806
Carrying amounts					
At December 31, 2015	-	-	20,755,099	-	20,755,099
At June 30, 2016	-	-	18,418,241	-	18,418,241

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

All properties, plant and equipment are located in Morocco.

The mining assets under construction include equipment under finance lease of \$403,800 (3,000,000 dirham).

Maya Gold & Silver Inc.
Notes to Condensed Interim Consolidated Financial Statements
June 30, 2016 (in Canadian dollars) (Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

Boumadine project

In February 2013, the Corporation and L'ONHYM, a Moroccan state institution, entered into an Agreement for the Boumadine polymetallic deposit (the "Convention"). Under the terms of the Convention, the Corporation acquired 85% of the Boumadine project for total cash payments of \$5,155,700 (43,000,000 dirham), including an initial amount of \$719,400 (6,000,000 dirham) paid by Global Works, Assistance and Trading S.A.R.L ("Glowat"), a related party company acting as project manager (Note 13), on behalf of the Corporation two months after the initial due date, an amount of \$812,400 (6,000,000 dirham) paid in February 2014 by Glowat on behalf of the Corporation, \$797,400 (6,000,000 dirham) originally payable in February 2015, a final payment of \$1,329,000 (10,000,000 dirham) payable in February 2016 and an amount of \$1,993,500 (15,000,000 dirham) that relates to past expenses incurred by the seller for which the seller can either demand reimbursement of this amount or apply it as a capital contribution of the future company to be created. The transfer of the property will occur once a separate company owned at 85% by the Corporation and 15% by ONHYM has been established in Morocco under the terms of the Convention, a letter of credit amounting to \$292,380 (2,200,000 dirham) has been subscribed by the Corporation to the benefit of OHNYM and all cash payments have been completed. In February 2016, ONHYM and the Corporation agreed to postpone the third payment until the end of 2017 and the fourth payment until the end of 2018.

6. LONG-TERM DEBT

a) Credit facility

In January 2016 the Corporation and the lender agreed to delay the remaining balance in six equal payments until July 2016. As at June 30, 2016, the loan is fully paid.

b) Loan

In March 2016, the Corporation partially completed the remaining condition for the disbursement of the loan with the closing of an equity financing. The Corporation and the lender reached an agreement to draw down an initial tranche of US\$4,500,000 of the loan agreement of US\$6,000,000 that was closed in 2015.

The Corporation engaged fees amounting to \$73,052.

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

	Credit facility	Loan	Obligation under finance lease
	\$	\$	\$
2016	-	-	36,550
2017	-	1,674,049	114,488
2018	-	2,869,799	114,488
2019	-	1,195,751	114,488
Total minimum payments	-	5,739,599	380,014
Amounts included in minimum payments - interest			(39,066)
			340,948

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2016 (in Canadian dollars) (Unaudited)

7. CONVERTIBLE DEBENTURES

	Total
	\$
Balance at December 31, 2014	8,843,767
Accretion expense	471,016
Conversion	(6,514,390)
Balance at December 31, 2015	2,800,393
Accretion expense	90,446
Balance at June 30, 2016	2,890,839

8. SHARE CAPITAL AND WARRANTS

Authorized

Unlimited number of common shares without par value.

Issuance of securities

2016

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

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

In connection with the private placement, financing costs consisting of cash payments totaled \$138,235.

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

Share purchase warrants

	Quarter ended	
	June 30, 2016	
	Number	Weighted average exercise price (\$)
Balance, beginning of year	31,314,098	0.36
Private placements	30,372,500	0.15
Balance, end of year	61,686,598	0.26

Maya Gold & Silver Inc.
Notes to Condensed Interim Consolidated Financial Statements
June 30, 2016 (in Canadian dollars) (Unaudited)

8. SHARE CAPITAL AND WARRANTS (continued)

At June 30, 2016, the outstanding number of warrants exercisable into common shares is as follows:

	Number of warrants		Number of warrants June 30, 2016	Exercise price	Expiry date
	December 31, 2015	Issued			
Private placement– March 2015	2,400,000	-	2,400,000	0.50	Sept 2016
Private placement- September 2015	1,430,000	-	1,430,000	0.35	Sept 2018
Broker warrants – September 2015	85,800	-	85,800	0.35	Sept 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
	31,314,098	30,372,500	61,686,598	-	

9. SHARE PURCHASE OPTIONS

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

	Quarter ended June 30, 2016	
	Number	\$ ⁽¹⁾
Balance, beginning of period	8,310,000	0.40
Granted	250,000	0.25
Expired	(350,000)	0.45
Balance, end of period	8,210,000	0.40

(1) Weighted average exercise price

The following table reflects the share purchase options issued and outstanding at June 30, 2016:

Issue date	Number of options	Exercise price	Remaining contractual life (years)	Number of options exercisable
	Number	\$	Number	Number
March 2012	1,485,000	0.35	0.9	1,485,000
March 2013	3,475,000	0.35	1.5	3,475,000
July 2013	200,000	0.35	2.0	200,000
May 2014	2,700,000	0.50	2.8	2,700,000
July 2014	100,000	0.50	1.0	100,000
April 2016	250,000	0.25	4.8	250,000
	8,210,000	0.40	1.9	8,210,000
Weighted average exercise price (\$)				0.40

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2016 (in Canadian dollars) (Unaudited)

10. MANAGEMENT AND ADMINISTRATION EXPENSES

	Three-month period ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Salaries and benefits	145,975	115,186	257,905	224,595
Consulting fees	45,974	31,250	77,811	65,500
Share-based payments	251,800	24,769	251,800	94,576
Office	42,800	79,511	80,271	150,314
Professional fees	59,308	57,580	118,353	121,735
Reporting issuer costs	30,531	22,618	34,902	27,651
	576,388	330,914	821,042	684,371

11. FAIR VALUE OF FINANCIAL INSTRUMENT

The following table classifies financial assets and liabilities that are recognized on the 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 consolidated statement of financial position and categorized by level according to the significance of the inputs in making the measurements.

Recurring measurements	June 30, 2016			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Balances of purchase price payable	-	-	(3,514,966)	(3,514,966)
Convertible debentures	-	-	(2,890,839)	(2,890,839)
	-	-	(6,405,805)	(6,405,805)

During the six months ended June 30, 2016, there were no transfers between Level 1, Level 2 and Level 3.

Maya Gold & Silver Inc.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2016 (in Canadian dollars) (Unaudited)

11. FAIR VALUE OF FINANCIAL INSTRUMENT (continued)

Current financial instruments that are not measured at fair value on the 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 demand promissory note due 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 balances of purchase price for the acquisition of the Boumadine property, convertible debentures, obligation under finance lease and the loan is not materially different from their carrying value because there was no material change in the assumptions used for fair value determination at inception. Therefore, its principal amount approximates its fair value.

The fair value of the credit facility is not materially different from the carrying value since its maturing within one year. Its principal amount approximates its fair value.

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month period ended June 30,		Six-month period ended June 30,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Changes in working capital items				
Sales taxes receivable	(33,270)	(93,479)	(187,603)	(180,733)
Inventories	(408,321)	50,881	373,734	126,028
Prepaid expenses and security deposits	(45,860)	(1,819)	13,849	(4,109)
Advances to related parties	149	(2,079)	4,398	82,863
Accounts payable and accrued liabilities	(730,918)	756,359	(1,343,416)	1,066,442
Provision for environmental remediation	-	(150,000)	-	(150,000)
	(1,218,220)	559,863	(1,139,038)	940,491
Non-cash transactions				
Common shares issued pursuant to the long-term incentive plan	243,000	-	243,000	-
Interest paid				
Interest paid, included in operating activities	118,675	521,372	332,816	838,819
Interest paid, included in investing activities	157,970	-	157,970	-

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13. RELATED PARTY TRANSACTIONS

In the normal course of operations, for the six-month period ended June 30, 2016 and 2015:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to \$82,939 recorded as professional fees and issuance costs of shares (\$49,695 recorded as professional fees and issuance costs of debentures and credit facility in 2015);
- 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 \$19,642 which were capitalized to exploration and evaluation assets in 2015), a net profit interest of \$218,763 (\$66,908 in 2015) and an interest of \$133,260 (\$182,105 in 2015);
- An officer of the Corporation charged consulting fees of \$62,500 (\$62,500 in 2015).

During the six-month period ended June 30, 2016, the Corporation paid \$1,550,860 to Glowat as repayment of the loan. As at June 30, 2016, the Corporation has a liability to Glowat and its creditors amounting to \$1,541,972 (11,602,498 dirham), (\$4,724,315 as at December 31, 2015). The amount paid by Glowat in the second quarter of 2016 for the benefits of the Corporation amounted to \$156,667 (nil in 2016) related to acquisition of property, plant and equipment.

As at June 30, 2016, the balance due to the related parties (excluding the accounts payable and accrued liabilities to Glowat and its creditors which are presented separately in the consolidated statement of financial position) amounted to \$194,558 (\$207,650 at December 31, 2015). This amount is subject to the same conditions as those of non-related parties.

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

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

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,	
	2016	2015	2016	2015
	\$	\$	\$	\$
Salaries and benefits and bonuses	138,765	131,520	272,760	264,660
Management consulting and professional fees	86,578	71,021	265,081	267,845
Directors fees	30,085	12,000	42,085	24,000
Share-based payments	251,800	21,054	251,800	82,847
	507,228	235,595	831,726	639,352

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14. EVENTS AFTER THE REPORTING DATE

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

In connection with this equity financing, EBRD and the Corporation reached an agreement to draw down the final tranche of US\$1,500,000 of the loan agreement of US\$6,000,000 that was closed in 2015.

Following the closing of these financings, the Corporation paid an amount of \$1,291,700 (US\$1,000,000) to Glowat as a final repayment of the demand promissory note.