CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1st quarter ended March 31, 2014

In Canadian dollars

UNAUDITED

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)

	March 31, 2014	December 31, 2013
	$	$
ASSETS		
Current		
Cash and cash equivalents	9,751,350	157,410
Subscription to receive (Note 8)	1,155,000	-
Marketable securities	183,571	175,573
Sales taxes receivable	148,359	37,981
Prepaid expenses and security deposit	172,913	53,225
	11,411,193	424,189
Non-current		
Restricted short-term investment	20,000	20,000
Advance to a related party	197,111	193,081
Property, plant and equipment (Note 5)	7,943,080	7,612,635
Exploration and evaluation assets (Note 6)	22,859,341	22,420,183
TOTAL ASSETS	42,430,725	30,670,088
LIABILITIES		
Current		
Accounts payable and accrued liabilities	1,300,436	905,892
Accounts payable and accrued liabilities to a related party (Note 14)	3,478,761	3,642,085
Balances of purchase price payable	5,229,450	4,452,227
Provision for environmental remediation	150,000	150,000
Credit facility (Note 7)	3,524,304	-
Derivative financial instrument (Note 7)	247,050	-
	13,930,001	9,150,204
Non-current		
Balances of purchase price payable	1,235,684	1,689,439
Asset retirement obligations and provision for environmental remediation	622,443	622,443
Convertible debentures (Note 8)	8,321,576	1,773,693
TOTAL LIABILITIES	24,109,704	13,235,779
EQUITY		
Share capital (Note 9)	26,806,931	26,806,931
Share purchase warrants (Note 9)	796,991	796,991
Share purchase options (Note 10)	1,462,670	1,418,154
Equity components of convertible debentures	1,297,543	264,511
Contributed surplus	3,617,095	3,617,095
Deficit	(15,723,549)	(15,492,933)
Accumulated other comprehensive loss	63,340	23,560
TOTAL EQUITY	18,321,021	17,434,309
TOTAL LIABILITIES AND EQUITY	42,430,725	30,670,088

Going concern (Note 3), 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)

	1st quarter ended March 31, 2014	1st quarter ended March 31, 2013
	$	$
Expenses		
Management and administration (Note 11)	327,902	815,930
Investor relations and corporate development	149,130	152,299
Loss (gain) on foreign exchange	(230,122)	62,186
Operating loss	(246,910)	(1,030,415)
Items that will subsequently be reclassified to income		
Change in fair value of marketable securities	(7,998)	40,343
Change in fair value of derivative financial instrument (Note 7)	150,450	-
Finance expenses	222,082	21,699
Loss before income taxes	(611,444)	(1,092,457)
Deferred income tax expense (recovery)	(380,828)	(40,391)
Net loss	(230,616)	(1,052,066)
Other comprehensive loss		
Foreign currency translation of foreign subsidiary	39,780	(175)
Change in fair value of marketable securities	-	(580,201)
	39,780	(580,376)
Comprehensive loss	(190,836)	(1,632,442)
Basic and diluted loss per share	(0.01)	(0.01)
Weighted average number of shares – basic and diluted	115,848,759	107,982,312

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, 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
Equity component of convertible debentures	-	-	-	-	1,413,860	-	-	-	1,413,860
Deferred income tax	-	-	-	-	(380,828)	-	-	-	(380,828)
Share-based payments (Note 10)	-	-	-	44,516	-	-	-	-	44,516
	115,848,759	26,806,931	796,991	1,462,670	1,297,543	3,617,095	(15,492,933)	23,560	18,511,857
Net loss for the year	-	-	-	-	-	-	(230,616)	-	(230,616)
Other comprehensive loss	-	-	-	-	-	-	-	39,780	39,780
Comprehensive loss for the year	-	-	-	-	-	-	(230,616)	39,780	(190,836)
Balance as at March 31, 2014	**115,848,759**	26,806,931	796,991	1,462,670	1,297,543	3,617,095	(15,723,549)	63,340	18,321,021
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	130,389	(14,889)	-	-	-	-	-	115,500
Share issued under Long term incitative plan ("LTIP")	1,118,792	296,480	-	-	-	-	-	-	296,480
Share issue costs	-	-	-	-	-	-	(30,392)	-	(30,392)
Expiration of warrants	-	-	(300,305)		-	300,305	-	-	-
Deferred income tax					-	(40,391)	-	-	(40,391)
Share-based payments				216,446	-	-	-	-	216,446
	109,088,759	25,079,547	2,761,671	1,076,821	-	1,949,021	(11,993,941)	(193,669)	18,679,450
Net loss for the year	-	-	-	-	-	-	(1,052,066)	-	(1.052,066)
Other comprehensive loss								(580,376)	(580,376)
Comprehensive loss for the year	-	-	-	-	-	-	(1,052,066)	(580,376)	(1,632,442)
Balance as at March 31, 2013	**109,088,759**	**25,079,547,**	**2,761,671**	**1,076,821**	-	**1,949,021**	**(13,046,007)**	**(774,045)**	**17,047,008**

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.
Consolidated Statements of Cash Flows
(in Canadian dollars)

	1st quarter ended March 31, 2014	1st quarter ended March 31, 2013
Cash flows provided by (used in)	$	$
OPERATING ACTIVITIES		
Net loss	(230,616)	(1,052,066)
Adjustments		
Share-based payments	44,516	512,926
Depreciation	-	2,926
Finance expenses	120,850	-
Change in fair value of marketable securities	(7,998)	40,343
Change in fair value of derivative financial instrument	150,450	-
Future income taxes	(380,828)	(40,391)
Changes in working capital items (Note 13)	158,972	92,425
	(144,654)	(443,837)
INVESTING ACTIVITIES		
Payment of balances of purchase price	-	(1,631,951)
Increase in exploration and evaluation assets	(201,676)	(112,791)
	(201,676)	(1,744,742)
FINANCING ACTIVITIES		
Accounts payable and accrued liabilities to a related party	(414,461)	-
Issuance of credit facility	3,620,904	-
Issuance of convertible debentures	6,779,777	-
Issuance of shares and warrants, net of issue costs	-	85,108
	9,986,220	85,108
Effect of exchange rate changes on cash held in foreign currencies	(45,950)	(283)
Net change in cash and cash equivalents	9,593,940	(2,103,754)
Cash and cash equivalents, beginning of period	157,410	2,788,597
Cash and cash equivalents, end of period	9,751,350	684,843

Supplemental cash flow information (Note 13)

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

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 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.

The Corporation has not yet determined whether its mineral properties contain ore resources that are economically recoverable. The recoverability of amounts shown as exploration and evaluation assets is dependent upon the existence of reserves on these properties, 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. 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. The Company’s Board of Directors approved these condensed interim consolidated financial statements on May 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.

Exploration and evaluation assets

As at March 31, 2014, all of the Corporation’s properties are still under the scope of IFRS 6 subject to the accounting policy described as at December 31, 2013.

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

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.

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 and prefeasibility study.

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 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 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 March 31, 2014, the Zgounder property was still in exploration and evaluation phase and should be transferred to development stage in a near future, 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.

At that time and following a review and approval by the Board of Directors, the property will be considered to enter the development stage.

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

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 criterias:

- 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.

A mining property is considered to be capable of operating in a manner intended by management when it commences commercial production. Upon commencement of commercial production, a mining property is depreciated based on a unit-of-production method. Unit-of-production depreciation rates are determined based on the related proven and probable mineral reserves and associated future development costs.

Subsequent mine development costs are capitalized to the extend 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 management judgments in applying accounting policies

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 criterias, the project moves into the development phase once approval has been given by the Board of Directors.

Start of commercial production phase

Management assesses the stage of completion of each assets under construction to determine when it begins commercial production. The Corporation considers a number of criteria to determine when a mine enters into commercial production, thereby resulting in reclassification from “assets under construction” to “Mining in production”.

3. 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 three months period ended March 31, 2014, the Corporation reported a net loss of $230,616 and has an accumulated deficit of $15,723,549 at March 31, 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 exploration and evaluation program and pay for general and administration costs. As at March 31, 2014, the Corporation had a working capital deficit of $2,518,808, including cash and cash equivalents of $9,751,350. Management estimates that these funds will not be sufficient to meet the Corporation’s obligations and budgeted 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 first quarter ended March 31, 2014, the Corporation closed a US$3,500,000 loan and $8,300,000 unsecured convertible debentures. 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.

4. CHANGE IN ACCOUNTING POLICIES

IFRIC21, *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.

March 31, 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	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	-	-	-	-	-
Foreign exchange	712	1,181	331,900	2,042	335,835
Balance at March 31, 2014	**71,786**	**466,868**	**7,912,300**	**81,710**	**8,532,664**
Accumulated depreciation					
Balance at January 1, 2013	45,346	217,259	-	50,340	241,101
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	613	608	-	933	2,154
Foreign exchange	937	724	-	1,575	3,236
Balance at March 31, 2014	**64,188**	**455,251**	**-**	**70,145**	**589,584**
Carrying amounts					
At December 31, 2013	8,436	11,768	7,580,400	12,031	7,612,635
At March 31, 2014	**7,598**	**11,617**	**7,912,300**	**11,565**	**7,943,080**

Depreciation expense of $2,926 for the period ended March 31, 2013 is included in the condensed interim consolidated statement of comprehensive loss under Management and administration expenses. For the period ended March 31, 2014, an amount of $2,154 (2013 $32,967) was charged to deferred exploration and evaluation expenses.

The production equipment was not amortized in the period presented since they are not ready to be put into service.

Property, plant and equipment are located as follows as at March 31, 2014:

	Computers, equipment and office furniture	Exploration and evaluation equipment	Buildings and equipment related to mining production	Vehicles	Total
	$	$	$	$	$
Morocco	**7,598**	**11,617**	**7,912,300**	**11,565**	**7,943,080**
	7,598	**11,617**	**7,912,300**	**11,565**	**7,943,080**

March 31, 2014 (in Canadian dollars) (Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

Changes in exploration and evaluation assets were as follows:

	March 31, 2014	December 31, 2013
		$
Rights on mining properties		
Opening balance	14,612,856	9,915,519
Additions	-	4,438,257
Foreign exchange	104,040	259,080
Ending balance	14,716,896	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)
Foreign exchange	-	-
Ending balance	-	-
Deferred exploration and evaluation expenses		
Opening balance	7,807,327	5,278,634
Additions		
Salaries and benefits	44,335	183,184
Drilling and sampling	-	626,967
Geology and consulting	113,748	941,866
Supplies and others	-	184,624
Administrative	43,593	181,874
Depreciation	2,154	132,929
Foreign exchange	131,288	277,249
Ending balance	8,142,445	7,807,327
Balance, end of year	22,859,341	22,420,183

March 31, 2014 (in Canadian dollars) (Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (continued)

Exploration and evaluation assets are as follows:

		March 31, 2014
	Morocco	Total
	$	$
Rights on mining properties	14,716,896	14,716,896
Deferred exploration and evaluation expenses	8,142,445	8,142,445
	22,859,341	22,859,341

7. CREDIT FACILITY

On February 4, 2014, the Corporation has entered into a facility agreement (the "Facility Agreement") for a credit facility in a principal amount of $US 6,000,000 ($6,631,800), of which $US 3,500,000 ($3,868,550) is 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 are repayable in nine consecutive monthly instalments beginning on May 31, 2014 from the cash generated by the operations of Zgounder Silver Mine. Pursuant to the Facility Agreement, a further loan of $US2,500,000 ($2,763,250) 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 $US 6,000,000 ($6,631,800). Under the terms of the Facility Agreement, the lender was granted a silver ounce fee of $US 0.25 / ounce ($0.28 / ounce) of silver ingots delivered by the Zgounder Silver Mine to a refiner.

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.

The Corporation granted 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 $US 140,000 ($154,742).

March 31, 2014 (in Canadian dollars) (Unaudited)

7. CREDIT FACILITY (continued)

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 $247,050 as at March 31, 2014 and the variation of $150,450 was recognized in the profit or loss during the quarter. 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	Fait value as at February 4, 2014	Fair value as at March 31, 2014
		$	$
1,500,000 options granted to the lender	January 31, 2015	96,600	247,505

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 9a)	(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	-	(365,223)	(365,223)
Equity component	-	(1,413,860)	(1,413,860)
Accretion expense	-	26,966	26,966
Balance at March 31, 2014	**-**	**8,321,576**	**8,321,576**

8. DEBENTURES (continued)

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 principal amount of the debentures will be payable on maturity date and accrued interest payable quarterly. As at March 31, 2014, $1,155,000 still to received and presented as Subscription to receive. This amount was received after the end of quarter.

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 $365,223 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.

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

2013
On March, 2013, 330,000 warrants at a unit price of $0.35 were exercised for total cash proceeds of $115,500.

On March 7 2013, the Corporation issued 559,396 Common Shares to each of the CEO and President (former COO) for accomplishments realized in 2010, 2011 and 2012. The market price of the Common Shares on March 7, 2013 was $0.265.

March 31, 2014 (in Canadian dollars) (Unaudited)

9. SHARE CAPITAL AND WARRANTS (continued)

Share purchase warrants

At March 31, 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 March 31, 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	-	-	-	**9,404,000**	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	-	-	-	**15,474,000**	0.35	

10. SHARE PURCHASE OPTIONS

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

	Quarter ended March 31, 2014	
	Number	$(1)
Balance, beginning of period	6,935,000	0.31
Expired	(175,000)	0.35
Balance, end of period	6,760,000	0.35

(1) Weighted average exercise price

March 31, 2014 (in Canadian dollars) (Unaudited)

10. SHARE PURCHASE OPTIONS (continued)

The following table reflects the share purchase options issued and outstanding at March 31, 2014:

Issue date	Number of options	Exercise price	Remaining contractual life (years)	Number of options exercisable
	Number	$	Number	Number
July 2009	50,000	0.40	0.4	50,000
September 2009	200,000	0.40	0.4	200,000
October 2009	50,000	0.48	0.6	50,000
February 2010	150,000	0.40	0.8	150,000
July 2010	800,000	0.25	1.25	800,000
March 2011	350,000	0.45	2.0	350,000
March 2012	1,485,000	0.35	3.2	1,485,000
March 2013	3,475,000	0.35	3.8	2,316,667
July 2013	200,000	0.35	4.3	150,000
	6,760,000	**0.35**	**3.1**	**5,551,667**
Weighted average exercise price ($)				**0.34**

11. MANAGEMENT AND ADMINISTRATION EXPENSES

	1st quarter ended March 31, 2014	1st quarter ended March 31, 2013
	$	$
Salaries and benefits	104,143	107,572
LTIP	-	296,480
Consulting fees	31,250	58,577
Share-based payments	44,516	216,446
Office	61,092	39,054
Professional fees	70,072	79,249
Regional office – Mexico	1,549	1,482
Reporting issuer costs	15,280	14,144
Depreciation	-	2,926
	327,902	815,930

March 31, 2014 (in Canadian dollars) (Unaudited)

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 March 31, 2014, Marketable securities in the amount of $183,571 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 March 31, 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 March 31, 2014, Derivative financial instrument in the amount of $247,050 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.

				March 31, 2014
Recurring measurements	Level 1	Level 2	Level 3	Total
	$	$	$	$
Marketable securities				
Ordinary shares	163,434	-	-	163,434
Subscription shares	20,139	-	-	20,139
Derivative financial instrument	-	-	(247,050)	(247,050)
	183,573	-	(247,050)	(63,477)

During the three months ended March 31, 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, subscription to receive, 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 balances of purchase price for the acquisition of the Boumadine property and debentures is not materially different from their carrying value because there was no material change in the assumptions used and since the balance of purchase price payable for the acquisition of the Zgounder property mature within one year, its principal amount approximates its fair value.

March 31, 2014 (in Canadian dollars) (Unaudited)

13. SUPPLEMENTAL CASH FLOW INFORMATION

	1st quarter ended March 31, 2014	1st quarter ended March 31, 2013
	$	$
Changes in working capital items		
Sales taxes receivable	(109,800)	43,230
Prepaid expenses and security deposit and advance to a related party	(123,706)	(25,386)
Accounts payable and accrued liabilities	392,478	74,581
	158,972	92,425

Non-cash transactions		
Additions of Rights on mining properties not paid	-	2,639,757
Depreciation included in exploration and evaluation assets	2,154	32,967

14. RELATED PARTY TRANSACTIONS

In the normal course of operations, for the first quarter ended March 31, 2014 and 2013:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to $33,312 recorded as professional fees and issuance costs of debentures and credit facility. ($29,579 in 2013 recorded as professional fees);

- A firm, of which a director of the Corporation is a partner, charged fees of $35,000 in 2014 as issuance costs of credit facility (nil in 2013);

- A company controlled by an officer charged professional fees of $1,598 ($5,670 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 $14,687 which were capitalized to exploration and evaluation assets ($12,468 in 2013);

- An officer of the Corporation charged consulting fees of $31,250 ($42,116 in 2013).

During the three-month period ended March 31, 2014, the Corporation advanced $500,000 to Glowat for the acquisition of mining rights and exploration and evaluation work and property plant and equipment (nil in 2013). As at March 31, 2014, the Corporation has an account payable and accrued liability to Glowat amounting to $3,478,761 (25,692,474 dirham), ($3,642,085 as at December 31, 2013).

As at March 31, 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 $265,688 ($268,834 at December 31, 2013). This amount is subject to the same conditions as those of non-related parties.

March 31, 2014 (in Canadian dollars) (Unaudited)

14. RELATED PARTY TRANSACTIONS (continued)

Remuneration of key management personnel of the Corporation

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

	1st quarter ended March 31, 2014	1st quarter ended March 31, 2013
	$	$
Consulting fees	115,847	89,833
Salaries	100,000	100,000
Director fees	16,000	4,811
Stock-based payments	37,838	183,979
	269,685	378,623

15. EVENTS AFTER THE REPORTING DATE

Exercise of warrants

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

Share purchase options

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.