CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

3rd quarter ended September 30, 2015

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)

	September 30, 2015	December 31, 2014
	$	$
ASSETS		
Current		
Cash	**444,655**	2,138,588
Marketable securities	**62,333**	112,839
Derivative financial instruments (Note 6)	**20,627**	106,012
Sales taxes receivable	**798,432**	419,891
Inventories	**1,054,136**	1,053,611
Prepaid expenses and security deposits	**501,385**	526,729
	2,881,568	4,357,670
Non-current		
Restricted investment	**20,000**	20,000
Advance to related parties	**185,210**	267,817
Property, plant and equipment (Note 4)	**21,053,594**	19,158,950
Exploration and evaluation assets (Note 5)	**4,551,431**	4,551,431
TOTAL ASSETS	**28,691,803**	28,355,868
LIABILITIES		
Current		
Accounts payable and accrued liabilities	**2,992,385**	1,619,408
Demand promissory note to a related party (Note 13)	**4,565,808**	4,183,542
Balance of purchase price payable	**4,179,693**	2,667,069
Provision for environmental remediation	**-**	150,000
Credit facility (Note 6)	**771,639**	2,523,575
Convertible debentures	**-**	474,951
Derivative financial instrument (Note 6)	**-**	5,400
	12,509,525	11,623,945
Non-current		
Balance of purchase price payable	**-**	1,074,831
Asset retirement obligations	**856,919**	845,548
Convertible debentures (Note 7)	**2,749,148**	8,368,816
TOTAL LIABILITIES	**16,115,592**	21,913,140
EQUITY		
Share capital (Note 8)	**41,265,911**	29,641,702
Share purchase warrants (Note 8)	**2,095,215**	-
Share purchase options (Note 9)	**1,994,830**	1,925,482
Equity component of convertible debentures	**2,013,721**	1,297,543
Contributed surplus	**4,063,242**	4,036,692
Deficit	**(38,638,702)**	(30,431,465)
Accumulated other comprehensive loss	**(218,006)**	(27,226)
TOTAL EQUITY	**12,576,211**	6,442,728
TOTAL LIABILITIES AND EQUITY	**28,691,803**	28,355,868

Going concern (Note 2)

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

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Expenses and other items				
Management and administration (Note 10)	**270,965**	416,332	**955,336**	1,937,028
Investor relations and corporate development	**43,533**	60,994	**224,613**	300,765
Loss (gain) on foreign exchange	**(1,247,978)**	245,856	**(1,067,673)**	469,660
Operating loss (gain) for the period	**(933,480)**	723,182	**112,276**	2,707,453
Royalties	**33,129**	-	**125,091**	-
Royalties to a related party (Note 13)	**26,622**	-	**93,530**	-
Change in fair value of marketable securities – subscription shares	**(12,570)**	23,441	**2,338**	(32,861)
Impairment of marketable securities - shares	**-**	-	**91,362**	-
Change in fair value of derivative financial instruments (Note 6)	**(13,781)**	(177,900)	**58,085**	(46,050)
Finance expense	**362,096**	774,003	**1,695,022**	1,636,556
Effect of convertible debentures modifications	**5,625,000**	-	**5,625,000**	-
Loss before income taxes for the period	**5,087,016**	1,342,726	**7,802,704**	4,265,098
Deferred income tax expense (recovery)	**338,220**	**(16,069)**	**338,220**	(396,897)
Net loss for the period	**5,425,236**	1,326,657	**8,140,924**	3,868,201
Other comprehensive loss				
Items that will subsequently be reclassified to net loss:				
Foreign currency translation of foreign subsidiaries	**225,706**	(18,936)	**233,975**	1,116
Change in fair value of marketable securities	**-**	-	**48,167**	-
Impairment of marketable securities – shares – reclassification to net loss	**-**	-	**(91,362)**	-
	225,706	(18,936)	**190,780**	1,116
Comprehensive loss for the period	**5,650,942**	1,307,721	**8,331,704**	3,869,317
Basic and diluted loss per common share for the period	**0.04**	0.01	**0.06**	0.03
Weighted average number of shares - basic and diluted	**141,074,947**	118,155,517	**130,568,952**	116,753,686

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, 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)	6,230,000	1,423,066	177,334	-	-	-	-	-	1,600,400
Share issue costs	-	-	-	-	-	-	(66,313)	-	(66,313)
Effect of convertible debentures modifications	-	-	-	-	5,625,000	-	-	-	5,625,000
Conversion of debentures (Note 7)	26,607,143	9,898,932	1,862,500	-	(5,247,042)	-	-	-	6,514,390
Deferred income tax	-	-	-	-	338,220	-	-	-	338,220
Conversion of interest (Note 7)	1,126,499	233,211	55,381	-	-	-	-	-	288,592
Shares issued as bonus to a director and officer (Note 8)	300,000	69,000	-	-	-	-	-	-	69,000
Share purchase options expired	-	-	-	(26,550)	-	26,550	-	-	-
Share-based payments (Note 9)	-	-	-	95,898	-	-	-	-	95,898
	156,867,116	41,265,911	2,095,215	1,994,830	2,013,721	4,063,242	(30,497,778)	(27,226)	20,907,915
Net loss for the period	-	-	-	-	-	-	(8,140,924)	-	(8,140,924)
Other comprehensive loss	-	-	-	-	-	-	-	(190,780)	(190,780)
Comprehensive loss for the period	-	-	-	-	-	-	(8,072,924)	(190,780)	(8,331,704)
Balance as at September 30, 2015	**156,867,116**	**41,265,911**	**2,095,215**	**1,994,830**	**2,013,721**	**4,063,242**	**(38,638,702)**	**(218,006)**	**12,576,211**
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	17,434,309
Shares issued under long term incitative plan	600,000	258,000	-	-	-	-	-	-	258,000
Equity component of convertible debentures	-	-	-	-	1,413,860	-	-	-	1,413,860
Deferred income tax	-	-	-	-	(380,828)	(16,069)	-	-	(396,897)
Share issue costs	-	-	-	-	-	-	(82,207)	-	(82,207)
Share purchase warrants exercised (Note 8)	6,029,715	2,511,496	(401,096)	-	-	-	-	-	2,110,400
Exercise of share purchase options (Note 9)	125,000	65,275	-	(26,525)	-	-	-	-	38,750
Share purchase options expired	-	-	-	(63,200)	-	63,200	-	-	-
Share purchase warrants expired	-	-	(123,185)	-	-	123,185	-	-	-
Share-based payments	-	-	-	547,431	-	-	-	-	547,431
	122,603,474	29,641,702	272,710	1,875,860	1,297,543	3,787,411	(15,575,140)	23,560	21,323,646
Net loss for the period	-	-	-	-	-	-	(3,868,201)	-	(3,868,201)
Other comprehensive income	-	-	-	-	-	-	-	(1,116)	(1,116)
Comprehensive loss for the period	-	-	-	-	-	-	(3,868,201)	(1,116)	(3,869,317)
Balance as at September 30, 2014	122,603,474	29,641,702	272,710	1,875,860	1,297,543	3,787,411	(19,443,341)	22,444	17,454,329

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

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

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2015	2014	**2015**	2014
Cash flows provided by (used in)	**$**	$	**$**	$
OPERATING ACTIVITIES				
Net loss for the period	**(5,425,236)**	(1,326,657)	**(8,140,924)**	(3,868,201)
Adjustments for non-cash items				
Share-based payments	**70,322**	94,368	**164,898**	805,431
Finance expense	**111,049**	395,364	**605,156**	819,722
Unrealized loss (gain) on foreign exchange	**(809,101)**	130,598	**(659,219)**	267,374
Change in fair value of marketable securities	**(12,570)**	23,441	**2,338**	(32,861)
Impairment of marketable securities	**-**	-	**91,362**	-
Change in fair value of derivative financial instruments	**(13,781)**	(177,900)	**58,085**	(46,050)
Effect of convertible debentures modifications	**5,625,000**	-	**5,625,000**	-
Deferred income taxes recovery	**338,220**	(16,069)	**338,220**	(396,897)
Changes in working capital items (Note 12)	**235,417**	(167,259)	**1,175,908**	(911,982)
	119,320	(1,044,114)	**(739,176)**	(3,363,464)
INVESTING ACTIVITIES				
Acquisition of property, plant and equipment	**(1,768,387)**	-	**(4,927,571)**	-
Silver sales	**1,323,142**	-	**4,388,553**	-
Payment of balance of purchase price	**-**	-	**-**	(2,756,844)
Increase in property, plant and equipment	**-**	(2,411,366)	**-**	(3,037,699)
Increase in exploration and evaluation assets	**-**	-	**-**	(245,026)
	(445,245)	(2,411,366)	**(539,018)**	(6,039,569)
FINANCING ACTIVITIES				
Demand promissory note to a related party	**36,763**	407,579	**64,383**	82,685
Credit facility	**(501,663)**	-	**(2,014,209)**	3,620,904
Issuance of shares, warrants and options, net of issue costs	**351,600**	2,031,650	**1,534,087**	2,066,943
Issuance of convertible debentures, net of issue costs	**-**	-	**-**	7,970,209
	(113,300)	2,439,229	**(415,739)**	13,740,741
Net change in cash	**(439,225)**	(1,016,251)	**(1,693,933)**	4,337,708
Cash, beginning of period	**883,880**	5,511,369	**2,138,588**	157,410
Cash, end of period	**444,655**	4,495,118	**444,655**	4,495,118

Supplemental cash flow information (Note 12)

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 (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 entered, in the second quarter of 2014, into the development phase and 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 Millenium 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 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.

2. GOING CONCERN (continued)

For the nine-month period ended September 30, 2015, the Corporation reported a net loss of $8,140,924 and has an accumulated deficit of $38,638,702 at September 30, 2015. As at September 30, 2015, the Corporation had a working capital deficit of $9,627,957, including cash of $444,655. 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 operations 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 nine-month period ended September 30, 2015, the Corporation closed equity financings of $1,600,400 and converted $7,755,359 of convertible debentures and interest into shares.

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 November 25, 2015.

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, 2014 and 2013.

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.

September 30, 2015 (in Canadian dollars) (Unaudited)

4. 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 December 31, 2013	71,074	465,687	7,580,400	-	79,668	8,196,829
Additions	-	-	-	4,885,720	-	4,885,720
Silver sales	-	-	-	(1,790,235)	-	(1,790,235)
Reclassifications	-	-	(7,580,400)	7,580,400	-	-
Transfer from E&E assets	-	-	-	8,552,943	-	8,552,943
Changes in asset retirement obligations	-	-	-	192,323	-	192,323
Foreign exchange	(594)	(556)	-	(262,201)	(960)	(264,311)
Balance at December 31, 2014	70,480	465,131	-	19,158,950	78,708	19,773,269
Additions	-	-	-	4,927,571	-	4,927,571
Silver sales	-	-	-	(4,388,553)	-	(4,388,553)
Impairment	(31,703)	(29,623)	-	-	(51,187)	(112,513)
Foreign exchange	-	-	-	1,355,626	-	1,355,626
Balance at September 30, 2015	**38,777**	**435,508**	**-**	**21,053,594**	**27,521**	**21,555,400**
Accumulated depreciation						
Balance at December 31, 2013	62,638	453,919	-	-	67,637	584,194
Depreciation	8,506	11,867	-	-	12,134	32,507
Foreign exchange	(664)	(655)	-	-	(1,063)	(2,382)
Balance at December 31, 2014	70,480	465,131	-	-	78,708	614,319
Impairment	(31,703)	(29,623)	-	-	(51,187)	(112,513)
Balance at September 30, 2015	**38,777**	**435,508**	**-**	**-**	**27,521**	**501,806**
Carrying amounts						
At December 31, 2014	-	-	-	19,158,950	-	19,158,950
At September 30, 2015	**-**	**-**	**-**	**21,053,594**	**-**	**21,053,594**

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

All property, plant and equipment are located in Morocco.

September 30, 2015 (in Canadian dollars) (Unaudited)

5. EXPLORATION AND EVALUATION ASSETS

Changes in exploration and evaluation assets were as follows:

	September 30, 2015	December 31, 2014
	$	$
Rights on mining properties		
Opening balance	4,438,257	14,612,856
Foreign exchange	-	(48,960)
Transfer to PP&E	-	(5,547,250)
Impairment	-	(4,578,389)
Ending balance	4,438,257	4,438,257
Deferred exploration and evaluation expenses		
Opening balance	113,174	7,807,327
Additions		
Salaries and benefits	-	43,359
Geology and consulting	-	112,669
Administrative	-	39,757
Depreciation	-	32,507
Foreign exchange	-	11,294
Transfer to PP&E	-	(3,005,693)
Impairment	-	(4,928,046)
Ending balance	113,174	113,174
Balance, end of period	4,551,431	4,551,431

All exploration and evaluation assets are located in Morocco.

Boumadine project

In February 2013, the Corporation and L'Office National des Hydrocarbures et des Mines ("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 initial due date, an amount of $812,400 (6,000,000 dirham) paid in February 2014 by Glowat on behalf of the Corporation, $825,000 (6,000,000 dirham) payable in February 2015, a final payment of $1,375,000 (10,000,000 dirham) payable in February 2016 and an amount of $2,062,500 (15,000,000 dirham) that relates to past expenses incurred by the vendor for which the vendor can either demand reimbursement of this amount or apply it as a capital contribution of the future company to be created. The Corporation and ONHYM agreed to postpone the third payment of $825,000 (6,000,000 dirham) until the end of September 2015 which should have been paid in February 2015. That payment was not made as at September 30, 2015. The Corporation is actually in negotiation with ONHYM to amend the terms.

September 30, 2015 (in Canadian dollars) (Unaudited)

6. CREDIT FACILITY

In May 2015, the Corporation entered into an agreement amending the credit facility. Pursuant to an amendment to the facility agreement, the Corporation and the lender agreed to postpone the maturity date of the credit facility to October 31, 2015. The outstanding balance of the credit facility remaining will be payable in consecutive monthly installments until maturity. The Corporation has further agreed to pay a cash fee equal to $55,465 (US$45,000). In October 2015, the Corporation and the lender agreed to delay the last three payments until January 2016.

In May 2015, Maya also agreed to amend the terms of the option to convert any amounts due under the facility into a maximum of 1,500,000 common shares of Maya, at a price of $0.35 per share by extending the conversion period from January 31, 2015 to October 31, 2015.

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

	Expiry date	Fair value at May 8, 2015	Fair value at September 30, 2015
		$	$
1,500,000 share purchase options granted to the lender	October 31, 2015	21,900	-

The derivative financial liability is a level 3 financial liability measured at fair value and is revalued at each end of period using the Black-Scholes option pricing model using the following assumptions:

	September 30, 2015	May 8 2015
Exercise price ($)	0.35	0.35
Grant date market price ($)	0.18	0.21
Expected stock option life (year)	0.1	0.5
Expected volatility (%)	77	79
Risk-free interest rate (%)	0.52	0.66
Dividend yield (%)	-	-

The Corporation currently estimates the expected volatility of its common shares based on its historical information over the expected life of the options.

Under the facility, the Corporation was required, in December 2014, to purchase put options as protection against the decrease of silver price. Therefore, the Corporation purchased, through the lender, who acted as intermediary for the account of the Corporation, put options to sell 20,000 ounces of silver per month at a price of US$14.50 per ounce from December 2014 to November 2015 for an amount of US$131,250 ($145,881).

The following table illustrates the value of these derivative financial assets:

	Expiry date	Fair value at December 31, 2014	Fair value at September 30, 2015
		$	$
Put options for 20,000 ounces of silver per month at US$14.50	November 2015	106,012	20,627

September 30, 2015 (in Canadian dollars) (Unaudited)

6. CREDIT FACILITY (continued)

The derivative financial instruments are a level 2 financial assets measured at fair value and is revalued at each end of period using the valuation of these options made by a financial institution. The Corporation assesses the reasonableness of these valuations through internal methods and third party valuations. Valuations are based on forward rates considering the market price, rate of interest and volatility, and take into account the credit risk of the financial instrument.

7. CONVERTIBLE DEBENTURES

	Total
	$
Balance at December 31, 2013	**1,773,693**
Issuance of convertible debentures	8,300,000
Issuance costs	(329,791)
Equity component	(1,413,860)
Accretion expense	513,724
Balance at December 31, 2014	**8,843,766**
Accretion expense	419,772
Conversion	(6,514,390)
Balance at September 30, 2015	**2,749,148**
Current portion	**-**
Non-current portion	**2,749,148**

In July 2015, the Corporation offered for a limited time to holders of the convertible debentures an incentive to convert their debentures before maturity into debentures shares (the “Debenture Shares”) at a conversion price of $0.28 instead of in shares at $0.35 Each Debenture Share is composed of one common share and one common share purchase warrant; each share purchase warrant shall entitle its holder to subscribe one common share of the Corporation until July 15, 2018 at a price of $0.35 per share. The Corporation may accelerate the expiry time of the share purchase warrants if, at any time, the weighted average trading price of the common shares of the Corporation listed on the Exchange is equal to or above $0.70 per share for a period of 20 consecutive trading days.

In August 2015, the Corporation closed a first tranche of the conversion of outstanding convertible debentures and accrued interests. The Corporation issued 13,750,000 Debenture Shares for the conversion of outstanding convertible debentures in principal amount of $3,850,000 of $10,500,000 issued in 2013 and 2014.

Furthermore, the Corporation issued 791,155 Debenture Shares in settlement of accrued interests in the amount of $221,523 as of June 30, 2015 under the same conditions as mentioned above.

In September 2015, the Corporation closed a second tranche of the conversion of outstanding convertible debentures and accrued interest. The Corporation issued 12,857,143 Debenture Shares for the conversion of outstanding convertible debentures in principal amount of $3,600,000.

7. CONVERTIBLE DEBENTURES (continued)

Furthermore, the Corporation issued 335,344 common shares at a price of $0.25 per share in settlement of accrued interests in the amount of $83,836 as of July 15, 2015.

As a result of the conversion of $7,450,000 convertible debentures and $305,359 accrued interests, the Corporation issued a total of 27,733,642 common shares and 27,398,298 share purchase warrants. All securities issued in connection with the conversion are subject to a statutory hold period of four months, expiring on December 5, 2015 and January 3, 2016.

The Corporation recorded an expense in the condensed interim consolidated statement of comprehensive loss of $5,625,000 representing the difference between the fair value of the consideration that the holders would receive upon conversion under the revised terms and the fair value of the consideration that the holders would have received upon conversion under the original terms, measured at the date when the terms were amended.

At the conversion of convertible debentures and accrued interests into Debenture Share, an amount of $1,917,881 was allocated to the share purchase warrants.

At the conversion of interests into shares, an amount of $67,069 was allocated to the share capital representing the fair value of the shares at the conversion. The difference between the accrued interests and the fair value of the shares was recorded in the condensed interim consolidated statement of comprehensive loss.

September 30, 2015 (in Canadian dollars) (Unaudited)

8. SHARE CAPITAL AND WARRANTS

Authorized

Unlimited number of common shares without par value.

Issuance of securities

2015

The following table details issuance of securities completed during the nine-month period ended September 30, 2015:

	Shares issued	Proceeds	Conversion of debentures of interest	Warrant exercise price	Expiry date of warrants
March, 2015 (1)	4,800,000	$1,200,000	-	$0.50	September, 2016
July, 2015 (2)	300,000	-	-	-	-
August, 2015 (Note 7)	14,541,155	-	$4,071,523	$0.35	July, 2018
September, 2015 (Note 7)	13,192,487	-	$3,683,836	$0.35	July, 2018
September 2015 (3)	1,430,000	$400,400	-	$0.35	September, 2018
Total	34,263,642	$1,600,400	$7,755,359		

(1) In March 2015, the Corporation completed a private placement of 4,800,000 units at $0.25 per unit for a total cash consideration of $1,200,000. Each unit is comprised of one common share and one-half common share purchase warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Corporation at a price of $0.50 until September 2016. An amount of $72,586 was allocated to the share purchase warrants. The fair value of the warrants was measured based on the Black-Scholes option pricing model using an expected volatility of 71%, a risk-free interest rate of 0.45%, and expected dividend yield of 0% and an expected life of 18 months.

(2) In July 2015, the Corporation issued 300,000 common shares in lieu of bonus for 2014 granted in favor of a director and officer of the Corporation following approval at the annual meeting. The shares issued were measured at fair value at the date of issuance for a total of $69,000.

(3) In September 2015, the Corporation closed a brokered private placement of 1,430,000 units at a price of $0.28 per unit for gross proceeds of $400,400. Each unit consists of one common share and one share purchase warrant of the Corporation. Each share purchase warrant will entitle the holder to purchase one additional common share at an exercise price of $0.35 for a period of 36 months from the closing date. The Corporation may accelerate the expiry time of the share purchase warrant if, at any time, the weighted average trading price of the common shares of the Corporation is equal to or above $0.70 per share for a period of 20 consecutive trading days. An amount of $104,748 was allocated to the share purchase warrants. The fair value of the warrants was measured based on the Black-Scholes option pricing model using an expected volatility of 73%, a risk-free interest rate of 0.47%, and expected dividend yield of 0% and an expected life of 36 months.

In connection with the private placements, financing costs consisting of cash payments and share purchase warrants totaled $66,313.

Share purchase warrants

	Nine-month period ended September 30, 2015	
	Number	Weighted average exercise price ($)
Balance, beginning of year	-	-
Private placements	3,830,000	0.44
Issuance related to debentures conversion	27,398,298	0.35
Finders' fees	85,800	0.35
Balance, end of period	31,314,098	0.36

September 30, 2015 (in Canadian dollars) (Unaudited)

8. SHARE CAPITAL AND WARRANTS (continued)

At September 30, 2015, the outstanding number of warrants exercisable into common shares is as follows:

	Number of warrants December 31, 2014	Issued	Expired / Exercised	**Number of warrants September 30, 2015**	Price per share	Expiry date
Private placement – March 2015	-	2,400,000	-	**2,400,000**	0.50	Sept 2016
Issuance related to debentures conversion – August 2015	-	13,750,000	-	**13,750,000**	0.35	July 2018
Issuance related to interest conversion – August 2015	-	791,155	-	**791,155**	0.35	July 2018
Issuance related to debentures conversion – September 2015	-	12,857,143	-	**12,857,143**	0.35	July 2018
Private placement – September 2015	-	1,430,000	-	**1,430,000**	0.35	July 2018
Private placement – September 2015 (finders' fees)	-	85,800	-	**85,800**	0.35	July 2018
	-	31,314,098	-	**31,314,098**	0.36	

9. SHARE PURCHASE OPTIONS

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

	Nine-month ended September 30, 2015	
	Number	**$ (1)**
Balance, beginning of period	9,385,000	0.40
Cancelled	(100,000)	0.50
Expired	(875,000)	0.28
Balance, end of period	8,410,000	0.41

(1) Weighted average exercise price

September 30, 2015 (in Canadian dollars) (Unaudited)

9. SHARE PURCHASE OPTIONS (continued)

The following table reflects the share purchase options issued and outstanding at September 30, 2015:

Issue date	Number of options	Exercise price	Remaining contractual life (years)	Number of options exercisable
	Number	$	Number	Number
March 2011	350,000	0.45	0.4	350,000
March 2012	1,485,000	0.35	1.6	1,485,000
March 2013	3,475,000	0.35	2.2	3,475,000
July 2013	200,000	0.35	2.7	200,000
May 2014	2,700,000	0.50	3.5	2,700,000
July 2014	200,000	0.50	2.7	100,000
	8,410,000	0.41	2.5	8,310,000
Weighted average exercise price ($)				0.40

10. MANAGEMENT AND ADMINISTRATION EXPENSES

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits	**117,002**	115,369	**341,597**	795,860
Consulting fees	**31,952**	131,000	**97,452**	202,250
Share-based payments	**70,322**	94,368	**164,898**	547,431
Office	**14,452**	42,587	**164,766**	126,646
Professional fees	**31,497**	21,335	**153,232**	223,097
Regional office – Mexico	**-**	-	**-**	2,598
Reporting issuer costs	**5,740**	11,673	**33,391**	39,146
	270,965	416,332	**955,336**	1,937,028

September 30, 2015 (in Canadian dollars) (Unaudited)

11. 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.

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

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

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

				September 30, 2015
Recurring measurements	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Marketable securities				
Ordinary shares	62,333	-	-	62,333
Balance of purchase price payable	-	-	(4,179,693)	(4,179,693)
Convertible debentures	-	-	(2,749,148)	(2,749,148)
Derivative financial instruments - assets	-	20,627	-	20,627
	62,333	20,627	(6,928,841)	(6,845,881)

During the nine-month period ended September 30, 2015, there were no transfers between Level 1, Level 2 and Level 3.

Description of calculations related to fair value of the derivative financial instruments is described in Note 6.

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

The fair value of the balance of purchase price for the acquisition of the Boumadine property and convertible debentures are not materially different from their carrying value because there was no material change in the assumptions. 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.

September 30, 2015 (in Canadian dollars) (Unaudited)

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three-month period ended September 30,		**Nine-month period ended September 30,**	
	2015	2014	**2015**	2014
	$	$	**$**	**$**
Changes in working capital items				
Sales taxes receivable	**(150,741)**	(204,053)	**(331,474)**	(426,524)
Inventories	**(126,553)**	(320,691)	**(525)**	(670,684)
Prepaid expenses and security deposits	**52,343**	(10,361)	**48,234**	(377,093)
Advances to related parties	**(256)**	(1,449)	**82,607**	(7,871)
Accounts payable and accrued liabilities	**460,624**	369,295	**1,527,066**	570,190
Provision for environmental remediation	**-**	-	**(150,000)**	-
	235,417	(167,259)	**1,175,908**	(911,982)
Non-cash transactions				
Common shares issued pursuant to the long-term incentive plan	**69,000**	258,000	**69,000**	258,000
Asset retirement obligations included in property, plant and equipment	**173,040**	-	**173,040**	-
Depreciation included in exploration and evaluation assets	**-**	32,754	**-**	32,754
Interest paid				
Interest paid, included in operating activities	**251,045**	378,639	**1,089,866**	816,834

13. RELATED PARTY TRANSACTIONS

In the normal course of operations, for the nine-month periods ended September 30, 2015 and 2014:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to $90,463 recorded as professional fees and issuance costs of shares and credit facility. ($107,617 in 2014 recorded as professional fees and issuance costs of debentures and credit facility);
- 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 2015);
- A company controlled by a former officer charged professional fees of $8,955 in 2014 (nil in 2015);
- 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 $136,974 which were capitalized to property, plant and equipment ($392,953 in 2014). Glowat also charged an interest of the balance outstanding for the amount of $251,389 (nil in 2014) and royalties of $93,530 (nil in 2014);
- An officer of the Corporation charged consulting fees of $93,750 ($93,750 in 2014).

September 30, 2015 (in Canadian dollars) (Unaudited)

13. RELATED PARTY TRANSACTIONS (continued)

During the nine-month period ended September 30, 2015, the Corporation engaged Glowat to perform exploration and evaluation activities, to acquired property, plant and equipment and mining rights. The Corporation advanced $460,170 to Glowat in 2015 ($1,500,000 in 2014), which were applied against the related amounts due to Glowat. As a result, the net amount owed to Glowat as at September 30, 2015 were $4,565,808 (33,205,813 dirham), ($4,183,542 as at December 31, 2014). The amount paid by Glowat in the nine-month period ended September 30, 2015 for the benefits of the Corporation amounted to $49,989 related to acquisition of property, plant and equipment.

As at September 30, 2015, the balance due to the related parties (excluding the accounts balance due to Glowat which are presented separately in the consolidated statement of financial position) amounted to $172,029 ($138,948 at December 31, 2014). This amount is subject to the same conditions as those of non-related parties.

In May 2015, the Corporation and Glowat signed a demand promissory note bearing interest at 6% per year representing the amount of the accounts payable and accrued liabilities due to Glowat at that moment. The promissory note recognizes the amount due to Glowat and is in line with the terms of the turn key agreement to develop the Zgounder project between the Corporation and Glowat. Pursuant to the promissory note the Corporation should use in whole or in part the product of further financings to pay Glowat.

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 September 30,		Nine-month period ended September 30,	
	2015	2014	**2015**	2014
	$	$	**$**	$
Salaries and benefits and bonuses	**135,435**	100,000	**400,095**	743,000
Management consulting and professional fees	**120,250**	331,760	**321,187**	645,025
Directors fees	**12,393**	8,500	**36,393**	32,000
Share-based payments	**70,123**	96,636	**152,970**	481,739
	338,201	536,896	**910,645**	1,901,764

September 30, 2015 (in Canadian dollars) (Unaudited)

14. LONG-TERM DEBT

In September 2015, the Corporation and European Bank for Reconstruction and Development ("EBRD") signed a loan agreement for $8,007,000 (US$6,000,000). The disbursements under the loan remain conditional to the closing by Maya of an equity financing of a minimum of $2,402,100 (US$1,800,000).

The financing consists of a loan bearing an 8% interest payable semi-annually on September 30th and March 31st of each year. Additionally, a performance based interest ("PBI") in the amount equal to 2% of revenues up to USD26M, 1.5% from USD26M to USD35M and 1% above USD35M, as stated in the most recent annual audited financial statements, payable on May 31st of each year.

The principal repayment will be as follow:

• September 2017	USD 1,750,000
• March 2018	USD 1,000,000
• September 2018	USD 2,000,000
• March 2019	USD 750,000
• September 2019	USD 500,000