Management's Discussion and Analysis

For the year ended December 31, 2018

This Management's Discussion and Analysis ("MD&A") of the operations, results, and financial position of Maya Gold & Silver Inc. ("Maya") and its subsidiaries (together the "Corporation") covers the three-month and twelve-month periods ended December 31, 2018 and 2017 and should be read in conjunction with the Corporation's audited consolidated financial statements and related notes for the year ended December 31, 2018.

The Corporation's December 31, 2018 audited consolidated financial statements and the financial information contained in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretation of the International Financial Reporting Interpretations Committee ("IFRIC").

All financial results presented in this MD&A are expressed in Canadian dollars unless otherwise indicated. The consolidated financial statements are presented in Canadian dollars, which is also the functional currency of Maya. Compagnie Minière Maya-Maroc S.A. ("CMMM"), Zgounder Millenium Silver Mining S.A. ("ZMSM") and Atlas Gold & Silver S.A.R.L. have the Moroccan dirham as their functional currency.

The Corporation's management is responsible for the preparation of the audited consolidated financial statements as well as other information contained in this report.

The Board of Directors has the responsibility to ensure that management assumes its responsibilities with regards to the preparation of the Corporation's consolidated financial statements. To assist management, the Board of Directors has created an Audit Committee. The Audit Committee meets with members of the management team to discuss the operating results and the financial situation of the Corporation. It then makes its recommendations and submits the consolidated financial statements to the Board of Directors for their examination and approval on an annual basis. The consolidated financial statements and this MD&A have been reviewed by the Audit Committee and approved by the Corporation's Board of Directors on March 29, 2019.

This MD&A contains forward-looking information that is based on the Corporation's expectations, estimates and projections regarding its business and the economic environment in which it operates. Forward-looking information speaks only as of the date it is provided, is not a guarantee of future performance and involves risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out in this MD&A under "Cautionary Statement Regarding Forward-Looking Information". Actual outcomes and results may differ materially from those expressed in forward-looking information and readers should not place undue reliance on such statements.

Production Cautionary statements

The Corporation wishes to make clear that it is not basing its commercial production decision for ZMSM on a feasibility study of mineral reserves demonstrating the potential viability of mineral resources or a feasibility study of mineral reserves demonstrating economic and technical viability, and as a result there is uncertainty and multiple technical and economic risks of failure which are associated with such a decision. These risks, among others, include areas that are analyzed in more detail in a feasibility study, such as applying economic analysis to resources or reserves and more detailed metallurgy.

DESCRIPTION OF THE BUSINESS

Maya is a silver producer and an exploration and development company whose focus is the acquisition, operations, exploration and evaluation of mineral properties located in Morocco. Mining and milling activities are currently concentrated at its flagship project: the Zgounder property. Maya owns 85% of the shares of ZMSM, which owns the Zgounder property, as well as 85% of the Boumadine property (assuming all conditions are met). Maya also owns 100% of the Amizmiz property, the Azegour property, the Mining permit No 233263 and the Touchkal property. All of these properties are located in Morocco.

Maya was incorporated under the Canada Business Corporations Act; its financial year-end is December 31 and graduated to the TSX on July 31, 2018, continuing to trade under the symbol MYA. Maya's issued and outstanding share capital totals 78,356,675 common shares on March 29, 2019 (following a 4:1 consolidation of its common shares on March 2, 2018). During the year, the Corporation implemented its extended development program at its Zgounder project with the installation of its flotation cells to increase production to 500 tons per day ("tpd"). During such phase, the project was still considered in the development stage. All other projects are in exploration and evaluation stage. On January 1, 2019, after the completion of final testing and commissioning, the Corporation declared commercial production having met following criteria established by the Board of Directors:

- Complete - when the mine is substantially complete and ready for its intended use;
- Complete - the ability to sustain ongoing production at a steady or increasing level;
- Complete - mineral recoveries are at or near the expected production level; and
- Complete - the completion of a reasonable period of testing of the mine plant and equipment.

HIGHLIGHTS, OUTLOOK AND SELECTED FINANCIAL INFORMATION

Zgounder - Strategic

The Corporation is moving forward with its 2000 tpd Development Plan. Based on the layout for a ramp, which would give an additional access to mineralization and exit route, received from GoldMinds, its consulting engineering firm, Maya anticipates that it will be in position to issue a contract mining tender later this year. Once completed, the 2000 tpd Phase 2 is expected to increase production to 4.8M ounces of silver per year as of 2021.

Based on early results Maya continues to explore to the West of the existing mine in hopes of discovering second Zgounder i.e. Zgounder *bis*. Exploration also continues on the Eastern part in order to upgrade, to the extent possible, the existing inferred into indicated mineral resources. The details of the drilling program will be provided once all results are received, validated and interpreted.

Zgounder - Operations

Zgounder Silver mine production highlights during the twelve-month period ended December 31, 2018 include:

- Lower Silver production of 258,469 ounces (2017 – 517,135 ounces), the decrease is a direct result of the Corporation's decision to reduce operations during the mill installation and generate income even if resources were limited;
- Revenue from silver in the twelve-month period ended December 31, 2018 totalled $6,341,836 (2017 - $11,119,263) and the development cost incurred during the period, excluding capitalised interest, amounted to $12,129,423 (2017 – $10,492,729);
- The average silver price realised during the twelve-month period ended December 31, 2018 was US$15.73 (2017 - US$17.39);
- On February 22, 2018 the Corporation filed a Preliminary Economic Assessment ("PEA") technical report of the Zgounder Project. The PEA was prepared using a combination of underground extraction, open pit extraction of mineralized material as well as reprocessing of old tailings based on the mineral resources reported on January 8, 2018;

- Silver production for the three-month period ended December 31, 2018 decreased 73% from 126,365 ounces in 2017 down to 31,192 ounces mostly due to a reallocation of workforce and resources to complete the construction and installation of the Flotation Cells project.

Zgounder – PEA Highligths:

- An estimated project life of 10 years with the current resources up to 2027;
- ZMSM Internal Rate of Return of 134% pre-tax and 118% after tax;
- ZMSM pre-tax Net Present Value of US$215.1M (discounted at 6.5%) at variable silver price from US$17.50 to US$21.50 per ounce with yearly average of US$20.50 per ounce;
- ZMSM after-tax Net Present Value of US$200.2M (discounted at 6.5%) at variable silver price from USD$17.50 to USD21.5 USD per ounce with average of US$20.5 per ounce;
- The extraction of 3.974Mt at 292 g/t Ag for silver production of 33.682M ounces over the estimated life of the project;
- Milling to increase to 500 tpd in 2018 up to 2020 followed by an increase to 2000 tpd in 2021;
- Production increase to 1.354M ounces per year up to 4.762M ounces of silver per year;
- Total operating cost of US $63.64 per tonne (averaged over the expected mine's life);
- Capex and sustaining capital requirements of US $46.9M.

Highlights of the Boumadine Project (Exploration stage)

- The Corporation completed 6900m of a diamond drilling program at Boumadine allowing the Corporation:
    - To successfully validate historical mineralization panels;
    - To successfully confirm gold presence both in mineralized zones, surface and tailing;
    - To confirm presence of Germanium (GE) in mineralized zones associated to sphalerite (ZN) and other sulfites;
    - To conduct extensive metallurgical pilot testing on ore and rock samples to provide the Corporation with required processes to achieve 96.37% gold recovery.
- PEA has been delayed incorporating these new discoveries.

The Corporation announced a significant discovery of important grades of Germanium, 497 g/t over 1.5m in core samples. Additional work is being done in order to take the Germanium values into account in the mineral resources.

Exploration of the Azegour Mine (Copper, Molybdenum, Tungsten and Uranium)

- The Corporation has made the strategic decision to begin exploration at its Azegour Mine where Copper, Molybdenum, Tungsten and Uranium have been mined in the past. The Corporation hopes to fast track the exploration and development of this asset with field work now scheduled to start in April aiming to complete a NI 43-101 independent PEA by the end of this 2019.

Financial
The Corporation's financial position remains strong following:

- Cash of $25,910,522 as at December 31, 2018 following the Private Placement and the exercise of warrants and stock options;
- Net Profit from operations was $592,838 during the three-month period ended December 31, 2018, compared to a net loss of $47,194 for the same period of 2017;
- Comprehensive income for the three-month period ended December 31, 2018 of $473,978, an increase of 973% when compared to $44,155 during the same period in 2017;

- An 70% lower Net Debt as at December 31, 2018, of $ 3.35 million, compared to $11.2 million as at December 31, 2017 following total repayment of the European Bank for restructuration and Development ("EBRD") debt;
- Working capital of $22,607,432 versus working capital of $3,135,362 for the same period in 2017.

TSX listing

On July 31, 2018, the Corporation graduated to the Toronto Stock Exchange ("TSX"), continuing trading under the symbol "MYA".

SELECTED FINANCIAL INFORMATION

	As at December 31, 2018	As at December 31, 2017	As at December 31, 2016
Statement of Financial position	**$**	$	$
Cash	**25,910,522**	7,063,991	4,266,854
Property, plant and equipment	**27,230,302**	19,773,911	19,299,124
Other assets	**3,319,983**	3,897,135	3,917,063
Exploration and evaluation assets	**6,687,177**	5,678,488	4,707,871
Total assets	**63,147,984**	36,413,525	32,190,912
Convertible debentures	**-**	-	3,004,566
Balance of purchase price payable	**3,252,437**	3,437,495	3,621,637
Long-term debt	**98,087**	7,720,330	8,213,022
Equity	**53,439,952**	18,285,076	12,658,781

	Three months ended December 31,		**Twelve months ended December 31,**	
Statement of Loss and comprehensive income (loss)	**2018**	2017	**2018**	2017
	$	$	**$**	$
Expenses and other items				
Management and administration	**296,473**	321,249	**1,252,503**	1,312,355
Investor relations and corporate development	**(68,939)**	53,833	**24,465**	195,794
Loss (gain) on foreign exchange	**(924,764)**	(44,946)	**(559,896)**	(346,666)
Royalties	**42,423**	104,990	**179,241**	330,769
Net profit interest to a related party	**26,192**	104,117	**116,571**	433,437
Share-based payments	**-**	-	**1,413,800**	-
Finance expense	**12,313**	(103,797)	**317,492**	403,110
Debt prepayment fee	**113,345**	-	**678,079**	-
Gain on extinguishment of debt	-	(549,352)	-	(549,352)
Income tax expense	**(89,881)**	161,100	**-**	383,165
Net income (loss) for the period	**592,838**	(47,194)	**(3,422,255)**	(2,162,612)
Other Comprehensive income (loss)				
Foreign currency translation of foreign subsidiaries	**(118,860)**	91,349	**(252,044)**	(82)
Comprehensive loss (income) for the period	**(473,978)**	**(44,155)**	**3,674,299**	**2,162,694**
Basic and diluted loss (gain) per common share for the period	**(0.01)**	0.00	**0.05**	0.04

Since its incorporation, the Corporation has not paid any cash dividends on its common shares. Any future dividend payment will depend on the Corporation's financial needs to fund its exploration, evaluation and development programs and any other factor that the board may deem necessary to consider.

MAJOR EVENTS

On February 27, 2019, as part of its exploration and development plan, the Corporation initiated diamond drilling to the west of the existing Mine at Zgounder and has discovered silver mineralization which leads the geological team to think there could be a second Zgounder i.e. Zgounder bis west of the Zgounder historical deposit. Moreover, drilling and trenching is also taking place on surface in the eastern sector in order to convert as much as possible the existing inferred mineral resources into indicated mineral resources. The details of the drilling results will be provided once all received, validated and interpreted.

On February 25, 2019, the Corporation confirmed it had successfully validated historical mineral panels and confirmed gold presence both in mineralized zones, surface and tailing. The Corporation also made a significant discovery of important grades of Germanium, 497 g/t over 1.5m in core samples at the Boumadine property. Additional work is being done in order to take the Germanium values into account in the mineral resources.

On January 1, 2019, the Corporation completed of the commissioning and testing phase of its 500 tpd flotation mill and declared Zgounder as being in commercial production.

During a 28-day period, a total of 4622 tonnes of low-grade ore with an average silver grade of 157 g/t was processed. The overall silver recovery with flotation followed by cyanidation of the flotation concentrate reached 80.3% (including in the system silver metal balance) which is better than expected for the testing phase. The flotation mill produced 321 tonnes of concentrate at a grade of 1861 g/t Ag for a 7 % weight recovery.

On October 24, 2018, Zgounder was connected to the national power grid. The 56-kilometer-long power line was required to reduce dependencies towards gasoline supply. The replacement of the fuel generators by two substations increase power supply from 3000 kVA to 4500kVA while reducing costs to US$ 0.08/KWH compared to US$ 0.24/KWH.

On August 8, 2018, the Corporation received metallurgy results at its Boumadine property, allowing 96.37% gold recovery.

On August 7, 2018, the Corporation completed the construction on the Flotation Mill was progressing nicely as well as the commencement of a Reverse Circulation drilling program at Zgounder. Maya also hired GoldMinds Geoservices Inc. to prepare technical engineering documents for the 2000 tpd project ramp-up. Separately, Maya announced the appointment of Bruno Dumais as its new Chief Financial Officer.

On June 29, 2018, the Corporation repaid in full $7,914,600 (US$6,000,000) of the outstanding debt under the European Bank for restructuration and Development. The Corporation incurred debt prepayment fee of $678,079 comprised of interest and penalties.

On May 29, 2018, Maya began a new 3000m diamond drilling program at its Boumadine property immediately following encouraging results from its first drilling program. This first program intersected 28 m at 4.91g/t Au, 140 g/t Ag, 0.18 Cu, 0.41% Pb and 1.70% Zn at shallow depth of 153m including 6m at 11.02g/t Au, 219 g/t Ag, 0.39% Cu, 0.12% Pb and 0.55% Zn at 175m. The first hole of the new 3000m drilling program intersected a first zone at 224m polymetallic sulfide mineralization in the Center zone.

On April 16, 2018, the Corporation closed an over-subscribed, non-brokered private placement of $28,397,000 through the issuance of 8,605,152 common shares, at a price of $3.30 per common share, a 32% premium to market.

On February 27, 2018, the Corporation proceeded with the consolidation of its common shares on a 1 for 4 basis. The consolidation was approved at the special meeting of the shareholders held on February 2, 2018. The consolidation resulted in each shareholder of the Company receiving one post-consolidation share for every four pre-consolidation common shares held. The number of shares, warrants and stock options and earnings per share data presented in these consolidated financial statements, have all been adjusted to reflect the impact of this share consolidation.

On January 9, 2018, the Corporation paid the third payment amounting to 6,000,000 dirhams ($809,607) in relation to the Boumadine Project to ONHYM.

Data information

		Three months ended December 31			Twelve months ended December 31		
	Unit	**2018**	2017		**2018**	2017	
Material Processed	**Tons**	**7,194**	14,024	**-48.7%**	**39,764**	53,547	**-25.7%**
Average Grade -Ag	**g/t**	**249.5**	345.0	**-27.7%**	**276.9**	354.6	**-21.9%**
Mill Recovery	**%**	**63.7**	85.0	**-25.0%**	**73.0**	84.7	**-13.8%**
Silver Ingots	**kg**	**970**	4,137	**-76.6%**	**8,039**	16,085	**-50.0%**
Silver produced	**oz**	**31,192**	126,365	**-75.3%**	**258,469**	517,135	**-50.0%**
Sales of silver	**oz**	**71,066**	127,528	**-44.3%**	**286,620**	496,293	**-42.2%**
Sales of silver	**$**	**1,366,635**	2,938,669	**-53.5%**	**6,341,836**	11,119,263	**-43.0%**
Development expenses (excluding interest)	**$**	**(3,306,517)**	(2,796,356)		**(12,129,423)**	(10,492,729)	
Cash flow generated from the activities at the mine (excluding interest) (1)	**$**	**(2,518,007)**	(145,585)		**(5,787,587)**	338,636	

(1) Cash flow generated from the activities at the mine is not an International Financial Reporting Standards (IFRS) performance measure and may not be comparable to similar measures presented by other companies. The Corporation believes that, in addition to conventional measures prepared in accordance with IFRS, the Corporation and certain investors use this information to evaluate the Corporation's performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The cash flow generated from the development activities at the mine derived from the Corporation's cash flow from investing activities, acquisitions of property, plant and equipment, less Silver sales.

The difference in silver production for the twelve-month period ended December 31, 2018 compared to the same period in 2017 is a direct impact of the decision to remain in operations while conducting the installations of the flotation cells mainly during both third and fourth quarter of the current year combined with unprecedented amount of snowfall during the first three months of 2018.

The Board of Directors and management of the Corporation considered the Zgounder Mine in development stage despite the positive production results achieved during the year 2018. The criteria and thresholds established by the Board of Directors were not achieved to justify the transfer of into commercial production until December 31, 2018. The principal criterion not yet satisfied was the completion of the capital expenditure program (mainly the installation of flotation cells) at the mine which was completed by December 31, 2018. The Corporation has experienced some delays for the acquisition and implementation of the flotation cells. Following the completion of the commissioning and testing programs, Maya declared commercial production at its Zgounder silver mine as of January 1,2019..

EXPLORATION AND EVALUATION ACTIVITIES

Zgounder project

In January 2012, the Corporation and the Office National des Hydrocarbures et des Mines ("ONHYM") a Moroccan state institution, entered into an Assignment Agreement for the Zgounder Silver project. Under the terms of the Assignment Agreement, the Corporation acquired 85% of the Zgounder Silver project for total cash payments of $5,647,250 (48,000,000 dirham) at the date of transaction. The transfer of the property title by ONHYM occurred in the second quarter of 2014 to ZMSM, a company owned at 85% by the Corporation and 15% by ONHYM.

Under the terms of the Assignment Agreement, the Corporation also agreed to make an additional cash payment (the "Additional Payment") to ONHYM, no later than the later of 6 months following the completion of a feasibility study and the decision to bring the project into production, or 24 months following the transfer of the property to the Corporation which occurred in June 2014. The Additional Payment will total $1.5 million if the mineral reserves are at least 10 million ounces of silver; $3.0 million if the established mineral reserves exceed 20 million ounces of silver; and $4.0 million, if the established mineral reserves exceed 30 million ounces of silver. The Corporation has also agreed to undertake a $5.0 million exploration program to be spent within 24 months of the transfer of the property and to spend an amount of $9.5 million in rehabilitation and development expenditures within 18 months of the approval of the act of the transfer of the property. Under the terms of the Assignment Agreement, ONHYM is to receive a 3% royalty on sales from the Zgounder project.

Geology and Mineralization

The Zgounder silver deposit is located in the central Anti-Atlas on the NW flank of the Siroua massif. The Zgounder deposit is Late Neoproterozoic in age and is mainly composed of a volcano sedimentary formation attributed to the Precambrian II (PII). The formation is intruded to the West by the Askaoun granodioritic massif (later Precambrian II-III). The geology of Zgounder is divided into three formations (Demange, 1997), two with a major clastic component intercalated with volcanics (identified as the 'blue' and 'brown' formations) overlain by an acid ignimbritic volcanic complex (the 'black formation').

The Zgounder deposit is described as a Neoproterozoic epithermal hypogene system and shares common characteristics (e.g. Age, Ag-Hg mineralization and epithermal-type model) with the giant Imiter silver deposit. The silver mineralization occurs at the top of the Brown Formation (sandstones), mainly at the contact and within a dolerite sill. The economic silver concentrations at Zgounder are found mainly as vertical columns, complex clusters, shear zones, veinlets and at the intersection of the E-W and N-S fractures located preferentially at the contact zone between schist and dolerite.

Zgounder Pre-Economic Assessment

On Feburary 22, 2018, the Corporation presented the results of an independent NI 43-101 Preliminary Economic Assessment Study ("PEA") on its Zgounder Silver Mine in Morocco. The PEA Study was prepared by GoldMinds Geoservices Inc. from Quebec City ("GMG").

Maya started the first diamond-drilling program at Zgounder in April 2015 and both the diamond drilling programs of 2015 and 2017 allowed Maya to increase the mineral resource estimates of Zgounder. The milling operations began in July 2014 and Maya announced the first silver pour in August 2014 with the production of the 20 silver ingots. Maya has produced a total of 1.61 million ounces of silver at its Zgounder mine as of December 2018.

Mineral Resource Used in the PEA

The NI 43-101 PEA Study was based on the undiluted mineral resource estimate prepared by GMG previously reported by Maya on January 8th, 2018. The table below summarizes the mineral resource estimated by GMG combining forty-eight (48) envelopes and the old tailings. A cut-off grade of 61.89 g/t was applied for the in-pit mineral resources and a cut-off grade of 125 g/t was applied for the underground mineral resources (just under the pit surface).

Attributable Resources

	Measured			Indicated			Measured + Indicated		
	Tonnes	Ag g/t	Ounces	Tonnes	Ag g/t	Ounces	Tonnes	Ag g/t	Ounces
In-pit	208,000	315	2,107,000	616,000	293	5,794,000	824,000	298	7,901,000
High grade underground	34,000	482	526,000	132,000	377	1,601,000	166,000	398	2,127,000
	242,000	338	2,633,000	748,000	308	7,395,000	990,000	315	10,028,000
	Inferred								
In-pit	1,886,000	248	15,012,000						
High grade underground	1,051,000	332	11,209,000						
Old tailings	500,000	132	2,117,000						
	3,437,000	256	28,338,000						

Project Economics

A summary of the base case parameters and assumptions are shown below:

Items	Units	Values
Silver price (yearly average)	US/oz	$20.50
Processed tonnage over LoM	metric tonne	4,926,500
Silver metal production	ounces	33,682,600
Royalty on sales (ONHYM)	%	3.0
Maya Management Fees including NPI*(1)*	%	2.75
Taxes for the first 5 years on gross revenues for a new company*(2)*	%	0.5
Taxes after the first 5 years on profits	%	17.5

1 *Net Profit Interest on gross profits (sales less milling and mining costs)*

2 *After completion of OHNYM 8 Million Oz commitment (15%), Project will be 100% owned by a new company owned by Maya in 2021.*

The project cash flow summary of the base case is shown in the following table:

Items	Value
Total revenue of silver sales	$708,967,000
Total operating costs	$313,515,000
After-tax undiscounted cash flow	$325,182,000
After-tax discounted (6.5%) NPV	$200,217,000

Project Sensitivities for Zgounder Millenium Silver Mining (ZMSM) are shown in the following table:

Parameter	Unit	-30%	-20%	-10%	0%	+10%	+20%	+30%
Pre-Tax								
Capex	M US$	32,83	37,52	42,21	**46,90**	51,59	56,28	60,97
NPV @ 6,5%	M US$	224,68	221,49	218,30	**215,11**	211,92	208,73	205,53
IRR	%	152	146	140	**134**	128	123	117
Opex	M US$	219,46	250,81	282,16	**313,51**	344,87	376,22	407,57
NPV @ 6,5%	M US$	275,55	255,40	235,26	**215,11**	194,96	174,81	154,66
IRR	%	182	165	149	**134**	119	106	93
Metal Price (avg)	$/oz	14,35	16,40	18,45	**20,50**	22,55	24,60	26,65
NPV @ 6,5%	M US$	86,97	129,68	172,39	**215,11**	257,82	300,54	343,25
IRR	%	59	83	108	**134**	161	189	217
Recovery (avg)	%	61	70	78	**87**	96		
NPV @ 6,5%	M US$	88,33	130,59	172,85	**215,11**	257,37		
IRR	%	60	84	108	**134**	161		
Head Grade	g/t	204	234	263	**292**	321	351	380
NPV @ 6,5%	M US$	94,07	134,42	174,76	**215,11**	255,45	295,80	336,14
IRR	%	63	85	109	**134**	160	187	214
Parameter	Unit	-30%	-20%	-10%	0%	+10%	+20%	+30%
After-Tax								
Capex	M US$	32,83	37,52	42,21	**46,90**	51,59	56,28	60,97
NPV @ 6,5%	M US$	209,79	206,60	203,41	**200,22**	197,03	193,83	190,64
IRR	%	135	129	124	**118**	113	108	103
Opex	M US$	219,46	250,81	282,16	**313,51**	344,87	376,22	407,57
NPV @ 6,5%	M US$	256,59	237,80	219,01	**200,22**	181,43	162,63	143,84
IRR	%	155	143	130	**118**	107	95	85
Metal Price (avg)	$/oz	14,35	16,40	18,45	**20,50**	22,55	24,60	26,65
NPV @ 6,5%	M US$	80,15	120,17	160,19	**200,22**	240,24	280,26	320,29
IRR	%	55	76	97	**118**	140	162	185
Recovery (avg)	%	61	70	78	**87**	96		
NPV @ 6,5%	M US$	81,43	121,02	160,62	**200,22**	239,81		
IRR	%	56	77	97	**118**	139		
Head Grade	g/t	204	234	263	**292**	321	351	380
NPV @ 6,5%	M US$	86,87	124,65	162,43	**200,22**	238,00	275,78	313,57
IRR	%	58	78	98	**118**	139	160	182

The sensitivity analysis suggests that the most sensitive parameters are the head grade, the recovery and the silver price. The project outlook calculation presents a robust positive project even at US$14.35/Oz silver and also shows important NPV with the increase in Metal

Operating Costs

The operating costs, also called operating expenditures (Opex), are expressed in USD per ton processed, and are summarized below. This next Table outlines the costs of the total project.

Items	Cost	Cost / ton
Waste development cost	$102,074,242	$20.72
Mineralized Material production cost	$51,842,142	$10.52
Mineralized Material process cost	$95,507,510	$19.39
General and Administration	$23,325,499	$4.73
Royalty & Management fees (incl. NPI)	$40,765,601	$8.27
Total	**$313,514,993**	**$63.63**

Note: The internal shaft, main ramp with all major underground developments of the mine down to 1620m level are in the Capex sustaining capital. Provision for additional underground development is taken into account with a 20% waste development of mineralized material mined at year 2021 as it is currently at 10%.

Capital Costs

The breakdown of the surface, mill and underground remaining capital cost expenditures (Capex) and sustaining capital to materialize the study is summarized in the following table. It is important to realize that the Zgounder project capital costs for the 500 tpd mill has already been paid with the mine revenues.

The sensitivity analysis suggests that the remaining capital cost has low impact on the economical results.

It is important to mention that operating costs are based on existing real cost adapted to up scaling scenarios. Moreover, the mill capital costs are based on real effective quotes received from Xinhai based in China. The 500 tpd mill is already installed.

Capex Summary

Description	Cost – US$
Mill 500 tpd	$5 000 000
Mill 2000 tpd	$20 000 000
Shaft+Rock B.	$3 000 000
Ramp & Gallery	$6 400 000
New tailing	$1 500 000
Energy line	$3 500 000
Explosive magazine	$800 000
UG Maintenance room	$750 000
Site prep. mill 2000 tpd	$1 000 000
Air vent/Exit	$250 000
Exploration+Studies	$2 500 000
Water treatment plan	$450 000
Ventilation	$500 000
Upgraded Live Camp	$1 250 000
Total	**$46 900 000**

US$=10Dirhams

In addition to the initial capital cost needed of US $5,000,000, there is an estimated total amount of US $41,900,000 required for the sustaining capital included through the life of the project in the cash flow. No contingency on the Capex has been added, as it is a preliminary economic assessment with a +/- 30% precision.

The Zgounder Cash Flow after tax is positive every year from its own revenues except for year three, which will require financing, and with a payback of one year. The 500 tpd mill is uphill near the existing base camp, while the proposed new 2000 tpd mill is planned to be installed south of the 2000m level entrance and the existing 200 tpd mill.

Mining

The Zgounder deposit assumes the processing of an average of 340 tpd for the first year (half at 187.5 tpd and half at 500 tpd), with an envisioned expansion to 500 tpd forecasted for two years and 2000 tpd for the remaining seven years of production.

The Zgounder deposit is located in competent rock and has a steep overall dip, making it easily mined using free falling methods. It is recommended to use the open long---hole mining method with sub---levels for the proposed new mining sites.

It is proposed to excavate a main ramp to connect all existing levels to the East above the 2,000m up to 2,100m level. Continued ramp access to the 1,800m level below the 2000m level and reach out the develop levels down to 1,925m and the future levels down to 1,800m; this will facilitate the development and also the transportation of backfill when required. Above 2,100 m elevation, the levels are accessible by adits. As the mine has previously been in production, few new developments are required above 2000m. The total of additional development required is estimated at 20% of mineralized material tonnage with an average of 3.0m linear meters per working day. There is a provision in the Capex (sustaining capital) for an average of 6.0m linear per working day, including the ramp (3.4m x 4m section), for a total of 4,691 meters for the major access and a 315m internal shaft for the life of mine (LOM).

The current processing plant was built to process 200 metric tpd assuming 350 working days per year (or 70,000 tons per year). With the implementation of the new 500 tpd mill and assuming 350 working days per year (or 175,500 tons a year) the feed would come from the underground mine above the 2000m level. Subsequently with the implementation of the 2000 tpd mill, mining and mill feed should come from the surface, underground and the ancient tailings in a proportion of 45%, 42% and 13% respectively. The scheduled tonnage for the 2000 tpd from surface is 900 tons, 840 tons from underground and 260 tons from the old tailings. This has been applied to the ratio of available resources and optimization has not been done.

The planned surface extraction would use drill, blast, load, haul to crusher and/or ore pass of the existing Alimak. A fleet was initially selected and the management of ZMSM prefers to use national mining contractors to reduce the Capex burden. As well, underground mining equipment was initially selected as a fleet, as the mine is actually mining contractors, the Corporation wishes to pursue that path and equipment list elaborated by GMG should be used as reference for the equivalence. With the present total mineralized material being in the order of 4Mt, the mine life would be 10 years with the upgrade to 500 tpd and the 2000 tpd. The mineralized material available is 1.681Mt at 331 g/t from UG, 1.79Mt at 300 g/t from potential quarry and 500,000 tons at 132 g/t Ag from the old tailings. Material at the surface is pit constrained.

According to the historical and the current mine production, the mining dilution is 10% and the mining recovery is 97%. The 10% mining dilution is applied up to year 2020 and afterward 30% as it represents the 10% from underground and an expected 50% dilution in the pit. These values are applied in the PEA Study. A dilution grade of 50 g/t Ag to the mill feed grade is applied.

The Zgounder mine is accessible from several adits on each main level, offering the advantage of straightforward dewatering and good natural air circulation from surface to the 2000m Level. Existing levels down to 1925m should be used in the redevelopment below the 2000m main level.

Planned future Metallurgy and Processing

Actual mill operation is currently 185 tpd, the feed grade approximately 330 g/t Ag, and the silver recovery is in the 87% range. The intent of Maya is to gradually increase the Zgounder mill feed rate from +/- 200 tpd to 2,000 tpd.

- First step is to increase the mill feed rate to 500 tpd (2018 -2020)
- Second step is to increase the mill feed rate to 2,000 tpd (2021 -2027)

The 500 tpd process plant is designed to recover the silver by a gravity-flotation process followed by the cyanide leaching of the gravity and the flotation concentrates in two different mills. The "upper" mill, designed by Yantai Xinhai Mining Research & Design Co., Ltd. (Xinhai), which will be located some 1,5 km from the actual mill will incorporate the following sections: run of mine mineralized material storage, a three stage crushing plant, two 500 tonne fine mineralized material bins, a two stage grinding bay integrating gravity, a flotation section followed by gravity and flotation concentrates thickening and regrinding spaces.

The "lower" mill (actual Zgounder mill), will essentially remain the same as it is now except for the removal of the two small ball mills and changing of the present clarifier by four filter---presses. The "lower" mill will be fed by gravity from the gravity---flotation concentrates (cyclones O/F) coming from the "upper" mill. The expected mill recovery based on provided met test is set to 80%.

For the 2,000 tpd operation (2021 – 2027), ZMSM will need to construct a new mill. Mill feed averaging 233 g/t (at least for years 2021 to 2024) will come from 3 different locations. Around 45% will come from the open pit, 12% from the old tailings and the other 43% from deep underground---mineralized sectors. To have a smooth and steady operation and to avoid large variations in feed grade and quality, the design criteria for the processing plant is based on a continuous and homogenous feed rate from all sources. The 2,000 tpd processing plant will be designed to recover the silver mainly by cyanide leaching followed by a CIP (carbon in pulp) process. The mill tentatively proposed by GMG should be located some 250m from the actual 200 tpd mill and will incorporate the following sections: run of mine mineralized material storage, a one stage crushing plant, two fine mineralized material bins, a two stage grinding bay integrating gravity, cyanide leaching followed by carbon adsorption, carbon elution and finally refining. The expected mill recovery based on provided met test with a completely new mill is set to 90%. Additional metallurgical testing is required to validate all parameters of the proposed process.

Mill waste will undergo cyanide destruction before disposal into the tailings pond or will be naturally destroyed in the pond. GMG is of the opinion that the new conceptual tailings pond has the capacity to store the whole mine life production of this PEA, that is to say during the next ten years of operation. Further work will need to be done to validate the conceptual design.

Supernatant from the tailing's ponds will flow by gravity to a small polishing pond, where it will be treated if necessary, and approximately 80% will be pumped back to the mill. The other 20%, free of any cyanide, will be discharged in the valley connected to the small Zgounder River.

Infrastructure

The energy is coming from a new power line rating 22 KV, having a power of 2500 KVA, is expected to be powerful enough for the milling operation of the 500 tpd. Subsequently, for the 2000 tpd mill, a new line will have to be installed from Taliouine and preliminary discussions with the Office National of Energy (ONE) set the total Capex to US3.5 million.

A new water line will have to be installed for the 2000 tpd mill upgrade and there is a provision in the Capex for this. As well, the existing tailings will be reinforced and modified to accommodate the whole mine life of the PEA. A polishing pond with water containment of 450,000 cubic meter is planned to assist in the management of recycle water. Provision for a water treatment plant near the polishing pond has been done.

A provision in the Capex exists for the expansion of the existing accommodation camp will be required to lodge the additional workforce (the staff and mining contractors).

Flotation Cell Units

The Corporation conducted test to optimize mill performance and efficiency in the face of higher-grade tailing. The Corporation also explored additional grinding capabilities and modified process flow sheet with the introduction of flotation prior to cyanidation. Test performed in March 2016 with different various flotation chemicals and the latest tests achieved an encouraging flotation recovery of 87%. Tests objectives were to evaluate the complete recovery with the cyanidation of concentrates as well as capex and operating costs reducing cyanidation consumption by treating only the flotation concentrate. An internal analysis supported the strategy of increasing the capability of sustaining a nominal capacity to 500 tonnes per day.

With the closing of an equity financing in March 2016, the Corporation drew down an initial US$4.5M of the loan facility with EBRD. This was the last remaining criteria to be achieved to bring Zgounder into commercial production.

The arrival of the Flotation Cell Units was completed during the first quarter of 2017 and their commissioning and testing phase has been completed by Q4 2018.. The basic engineering and infrastructures related to the installation of the cell units at the Zgounder mine have reached completion by December 31, 2018. The project team has been assembled and training performed.

Boumadine project

In February 2013, the Corporation and the ONHYM, a Moroccan state institution, entered into an Agreement for the Boumadine polymetallic deposit (the "Convention"). Under the terms of the Convention, the Corporation acquired 85% of the Boumadine project for total cash payments of 43,000,000 dirham ($5,155,700 in 2013), comprising the following instalments:

- 6,000,000 dirham ($719,400) paid in 2013 by Global Works, Assistance and Trading S.A.R.L ("Glowat"), a related party company acting as project manager on behalf of the Corporation,
- 6,000,000 dirham ($812,400) also paid in February 2014 by Glowat on behalf of the Corporation,
- 6,000,000 dirham ($809,607) paid on January 9, 2018,
- 10,000,000 dirham ($1,427,000) originally payable in February 2016 but now postponed to December 2018, paid in January 2019.

In addition, an amount of 15,000,000 dirham ($2,140,000) which relates to past expenses incurred by the seller is payable when a subsidiary will be created, and the property be transferred to this new subsidiary, which is expected to occur in January 2020. Also, this amount can be applied as a capital contribution of the future subsidiary, at the seller's request. This amount was discounted using an interest rate of 16%.

The transfer of the property will occur once the following are complete:

- a separate company owned at 85% by the Corporation and 15% by ONHYM has been established in Morocco under the terms of the Convention,
- a letter of credit amounting to 2,200,000 dirham ($313,900) has been issued 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 (paid in January 2018) and the fourth payment until the end of 2018 (paid in January 2019).

ONHYM will receive a 3% royalty on sales from the Boumadine project. In the event where delay in production would be greater than 60 months from the date of approval of the Convention, the Corporation undertakes to pay to the seller a cancellation annual royalty of 100,000 dirham ($14,720) until production actually begins.

The Boumadine polymetallic (gold, silver, zinc, lead (Au, Ag Zn, Pb)) property covers a 16 square-kilometres area within the highly prospective Ougnat Proterozoic window, found through the Moroccan Anti-Atlas. The property host the Boumadine mine which has an Historical Production of 261,485 t @3.8% Zn, 1.5 % Pb, 200 g/t Ag and 3.50 g/t Au (1989 to 1992) and surface tailings hold ~240,000t of recoverable material assaying 21.50% S, 192 g/t Ag (1.6 M oz.), 3.15 g/t Au (19,000 oz.), 0.20% Pb and 0.62 % Zn. The polymetallic mineralization at Boumadine extends at least for 2.2 km on the surface. The mineralized zones consist of 1 to 5 m-wide N-S oriented lenses/veins dipping sharply to depths of 350 m and spatially associated with the Rhyolite domes. The Boumadine deposit is interpreted as epithermal silver-gold base metal deposit, with the potential of discovering a copper-gold porphyry deposits at depth.

The Corporation believes that Boumadine property possesses significant potential of discovering a new precious metal rich zone at depth.

In September 2017, Maya mandated GMG to conduct a PEA on the Boumadine polymetallic deposit to be completed before year-end. The PEA has been delayed considering new discoveries following the drilling program.

The Corporation launched a diamond drilling program to validate the historical panels at zone Centre and South and explore the vertical extension of the mineralization at zone Tiji, Centre and South. Drilling was also performed on the existing tailings to estimate their mineral resource.

The works carried out at Boumadine concerned also the development of the access road to, the construction of offices as well as the electricity supply. Compilation and computerization of historical data has started.

The Corporation also received some commercial proposals for the implementation of the future unit of treatment of mineral waste.

Amizmiz Property

The 100% owned Amizmiz Property was acquired in 2010 by replacing and cancelling the previous option agreement of March 2009 with *Société d'Exploration Géologique des Métaux* ("SEGM"), a Moroccan private company holding the right on the Amizmiz mining permits, in consideration for 1,555,555 common shares of the Corporation. In accordance with the 2009 option agreement and the 2010 acquisition agreement, the

Corporation made cash payments of $250,000 in 2009 and issued 500,000 common shares in 2009, 666,667 common shares in March 2010 and 1,555,555 common shares in June 2011, respectively valued at $190,000, $180,000 and $622,223 at the date of the transactions. SEGM retains a 2.5% net smelter royalty ("NSR") on the acquired permits. The 2010 acquisition agreement was approved by the Moroccan Mining Authorities in June 2011.

The Corporation also received in 2015 the renewal by the Moroccan Mining Authorities of the Amizmiz permits PE183200, PE183201, PE183202 and PE183203, until July 16, 2019.

Azegour property

The Corporation entered into a property purchase agreement in March 2011, with Ouiselat Mines (a private Moroccan company) to acquire a 100% interest in mining permit PE183208 ("Azegour Property") for a total cash consideration of 20.0 million dirham (approximately $2.4 million) and the issuance of 500,000 common shares of the Corporation in favour of Ouiselsat Mines. In accordance with the agreement, the Corporation paid in 2011, in two tranches, a total amount of 15.0 million dirham (approximately $1.8 million) and issued 500,000 common shares of the Corporation, valued at $175,000. The third and final cash payment of 5 million dirham ($593,500) was due in March 2012, 12 months following the signing of the purchase agreement. This payment was made in March 2012. The Corporation agreed to pay a 2.5% royalty on revenues to Ouiselat Mines on any production derived from the property. The transfer of property titles to the Corporation as well as the regulatory approval of the transaction by the Moroccan Mining Authorities was confirmed in May 2011. The Corporation also received the renewal by the Moroccan Mining Authorities of the Azegour permit PE183208, valid until July 16, 2019.

EXPLORATION AND EVALUATION ASSETS

The following is a breakdown by project of the exploration and evaluation assets carried forward as at:

	December 31, 2018	December 31, 2017	December 31, 2016
	$	$	$
Boumadine	**7,040,142**	5,678,488	4,707,871
Amizmiz	—	—	—
Azegour	**2,704**	—	—
Mining Permit no 233263	—	—	—
Total expenditures carried forward	**7,042,846**	5,678,488	4,707,871

All exploration and evaluation assets are located in Morocco.

During the years ended December 31, changes in exploration and evaluation assets related to Boumadine and Azegour properties were as follows as at:

	2018	2017	2016
	$	$	$
Rights on mining properties			
Balance at end of the year	**4,438,257**	4,438,257	4,438,257
Deferred exploration and evaluation expenses			
Balance at beginning of the year	**1,240,231**	909,522	113,174
Additions:			
Geology and consulting	**147,258**	92,553	6,648
Drilling	**870,687**	-	-
Administrative	**77,127**	226,498	149,792
Foreign exchange	**269,286**	11,658	-
Balance at end of the year	**2,604,589**	1,240,231	269,614
	7,042,846	5,678,488	4,707,871

Management plans to execute further substantive exploration and evaluation activities on Boumadine. Management believes the fundamental outlook for this property remains good. A PEA will be disclosed in 2019 in addition to the 3000 m of drilling DDH already completed and being analysed.

Since Boumadine began exploration work in 2016 under an exploration program which was pursed during 2017 and completed the third and fourth payments of the balance of purchase price, no impairment indicator was identified with respect to that property as at December 31, 2018.

BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis.

Statement of compliance

The Corporation's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") effective as of December 31, 2018. IFRS includes IFRSs, International Accounting Standards ("IAS"), and interpretations issued by the IFRS Interpretations Committee ("IFRIC"). The Corporation has consistently applied the accounting policies used in the preparation of its IFRS consolidated financial statements, including the comparative figures.

Consolidation, functional and presentation currency

These consolidated financial statements include the accounts of Maya and its subsidiaries. Subsidiaries are all entities over which the Corporation has control. The Corporation controls an entity when it has power over the entity, when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns.

These consolidated financial statements include the accounts of Maya and its subsidiaries as follows:

Subsidiary	Registered	Ownership and voting Right	Principal activity	Functional Currency
Compagnie Minière Maya-Maroc S.A	Morocco	100%	Exploration	Moroccan dirham
Zgounder Millenium Silver Mining S.A.	Morocco	85%	Development	Moroccan dirham
Atlas Gold & Silver S.A.R.L.	Morocco	100% (n.a.-2017)	Exploration	Moroccan dirham
Metales de la Sierra, S. de R.L. de C.V.	Mexico	99%	Inactive	Canadian dollar

Subsidiaries are fully consolidated from the date on which control is transferred to Maya and are de-consolidated from the date that control ceases. All intercompany transactions, balances, income and expenses are eliminated upon consolidation. Where the Corporation's interest in a subsidiary is less than 100%, the Corporation recognizes non-controlling interests.

The Corporation's reporting currency is the Canadian dollar which is also the functional currency of Maya. The functional currency of the Corporation and its subsidiaries has remained unchanged during the reporting period.

Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated at the exchange rate in effect at the financial position date into the respective Corporation's entity currency, whereas non-monetary assets and liabilities denominated in a foreign currency are translated into the respective Corporation's entity at the exchange rate in effect at the transaction date. Revenue and expenses denominated in a foreign currency are translated at the average rate in effect during the period except for depreciation that is translated at the historical rate.

Gain and losses on exchange arising from the translation of foreign operations are recorded in the consolidated statements of comprehensive loss.

Foreign operations

Assets and liabilities of the subsidiaries that have a functional currency other than the Canadian dollar are translated into Canadian dollars on consolidation at the exchange rate in effect on the consolidated statement of Financial Position date and revenues and expenses are translated at the average rate over the reporting period. Gains and losses from these translations are recognized in other comprehensive (loss) income.

On disposal of a foreign operation, the related cumulative translation differences recognized in equity are reclassified to profit or loss and are recognized as part of the gain or loss on disposal.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash balances held with banks and brokers and highly liquid short-term investments with terms of three months or less. Cash and cash equivalents unavailable for use by the Corporation's or its subsidiaries due to certain restrictions that may be in place are classified as cash - restricted.

Inventories

Supply, ore and precious metals inventories are valued at the lower of cost and net realizable value. The cost of supply inventories is measured at the lower of cost using the weighted average cost formula and net realizable value. The cost of ore and precious metals inventories are measured using the specific cost method and includes all expenses directly attributable to the mineral extraction and processing processes, including the cost of supply consumed, direct labour and a systematic allocation of fixed and variable production overheads that are incurred in extracting and processing ore.

Net realizable value is the estimated selling price in the ordinary course of business less any applicable estimated cost to completion and estimated selling expenses. The amount of inventories recognized as an expense is included in addition under mining assets under development in property, plant and equipment.

Property, plant and equipment

Property, plant and equipment ("PPE") are carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of PPE consists of the purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.
When a mining project reaches the development phase, exploration and evaluation expenditures are capitalized to mining assets under development. The development expenditures are capitalized net of net proceeds from sale of ore extracted during the development phase. Capitalized costs, including mineral property acquisition costs, mine development and construction costs, are not depreciated until the time at which the related mining property has reached a pre-determined level of operating capacity intended by management.

Management considers several factors in determining when a mining property has reached levels of operating capacity intended by management including:

- when the mine is substantially complete and ready for its intended use;
- the ability to sustain ongoing production at a steady or increasing level;
- mineral recoveries are at or near the expected production level; and,
- the completion of a reasonable period of testing of the mine plant and equipment.

Upon reaching the commercial production stage, costs are transferred from mining assets under development into the appropriate asset classes and depreciation commences. Once in the production stage, metal sales are recognized as revenue and production costs as a component of mine operating costs.
Repairs and maintenance costs are charged to the consolidated statement of income (loss) during the period in which they are incurred unless the PPE are used in mineral properties under development for which the costs are capitalized in the mining assets under development.

Depreciation is recognized using the cost of an item of PPE less its estimated residual value, over their estimated useful life.

Depreciation is capitalized to mining assets under development when related to a specific project or to Exploration and evaluation assets depending on the usage. The carrying amounts of mineral properties are depreciated using the unit-of-production method over the estimated recoverable ounces, when operating levels intended by management for the mining properties have been reached. Under this method, applicable costs are multiplied by the number of ounces extracted divided by the estimated total ounces to be extracted in current and future periods based on proven and probable reserves and a portion of resources. Since all properties of the Corporation were not yet in commercial production, no amortization has been accounted for.

Management reviews the estimated total recoverable ounces contained in the reserves and resources each financial year and when events and circumstances indicate that such a review should be made. Changes to estimated total recoverable ounces contained in the reserves and resources are accounted for prospectively.
The carrying amount of an item of PPE is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of PPE is included in profit or loss when the item is derecognized.

Exploration and evaluation assets

Exploration and evaluation assets ("EE") are comprised of rights on mining properties or options to acquire undivided interests in mining rights, deferred exploration and evaluation expenses and mining properties. Once the legal right to explore has been acquired, they are recorded on a property-by-property 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.

EE costs typically consider 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. EE expenditures also include overhead expenses directly attributable to the related activities.

Upon determination of the technical feasibility and commercial viability of extracting a mineral resource, the Corporation performs an impairment test, based on the recoverable amount, prior to reclassification of EE to PPE under Mining assets under development in accordance with IFRS 6, *Exploration for and evaluation of Mineral Resources*. The demonstration of the technical feasibility and commercial viability, and its approval by the Board of Directors, are the key points at which the Corporation determines that it will develop the project.

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. Whenever a mining property is considered no longer viable or is abandoned, the capitalized amounts are written down to their recoverable amounts; the difference is then immediately recognized in profit or loss.

As at December 31, 2018 and 2017, all of the Corporation's mining properties are still under the scope of IFRS 6 and therefore subject to the accounting policy as described in exploration and evaluation assets except for the Zgounder property which is considered in development stage and subject to the accounting policy described in PPE.

Impairment of non-financial assets

At the end of each reporting period and when impairment indicators are identified, the Corporation reviews the carrying amounts of its non-financial assets which are composed of property, plant and equipment and exploration and evaluation assets, to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash generating unit to which the asset belongs must be determined. In testing an individual asset or cash generating unit for impairment and identifying a reversal of impairment losses, management estimates the recoverable amount of the asset or the cash-generating unit. The recoverable amount is the higher of an asset or a cash generating unit's fair value less cost to sell or its value in use. Value in use takes into account estimated future cash flows associated with the asset or cash generating unit, such value being discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or cash generating unit. In the case of exploration and evaluation assets, impairment reviews are carried out on a property-by-property basis or by areas of interest, with each property representing a potential cash-generating unit, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A previous impairment is reversed if the asset's recoverable amount exceeds its carrying amount. However, the impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Provisions

A provision is recognized when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Timing or amount of the outflow may still be uncertain. If the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Provisions for asset retirement obligations and environmental remediation, restructuring costs and legal claims, where applicable, are recognized when:

- the Corporation has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation;
- the amount can be reliably estimated.

Provisions are measured at management's best estimate of the expenditures required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material. The increase in the provision due to passage of time is recognized as finance expense. Changes in assumptions or estimates are reflected in the period in which they occur.

Provision for asset retirement obligations represents the legal and constructive obligations associated with the eventual dismantling of the Corporation's buildings and equipment related to mining production. These obligations consist of costs associated with the removal of tangible assets. The discount rate used is based on a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation, excluding the risks for which future cash flow estimates have already been adjusted. The schedule of expenditures was determined by taking into account the proven and probable reserves and the estimated annual production level.

Post-employment benefits and short-term employee benefits

The Corporation provides post-employment benefits through a multi-employer contribution plan. Under this plan, the Corporation pays contributions, established according to a percentage of employee's salary, to a pension fund, independently managed. The Corporation has no legal or constructive obligations to pay contributions after its payment of the fixed contribution during the employment period.
Short-term employee benefits, including vacation entitlement, are current liabilities included in "accounts payable and accrued liabilities", and are measured at the undiscounted amount that the Corporation expects to pay.

Income taxes

Income tax on income for the periods presented comprises current and deferred tax. Income tax is recognized in income except to the extent that it relates to items recognized in other comprehensive loss or in equity, in which case it is recognized in other comprehensive loss or in equity, respectively.

Current tax is the expected tax payable on the taxable profit for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that do not affect accounting or taxable income; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date and which are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized. Deferred tax assets and liabilities are offset only when the Corporation has a legally enforceable right and intention to set-off current tax assets and liabilities from the same taxation authority.

Share capital and warrants

Share capital and warrants are classified as equity. The Corporation allocates the proceeds from an equity financing between common shares and warrants based on the relative fair value of each instrument using the Black-Scholes pricing model for the warrants' valuation.

Share-based payment transactions

Equity-settled share-based payments were made in exchange for services received, for the acquisition of properties or for settlement of debentures. The value of the equity instruments granted is determined upon the fair value of the services received or the properties acquired unless impracticable. In such case, the fair value of the services rendered, or the properties acquired is determined indirectly by reference to the fair value of the equity instruments granted. The fair value of share-based payments to directors, officers, employees and consultants with employee-related functions is recognized as an expense over the vesting period with a corresponding increase to the stock options component of the equity. The fair value is measured at the grant date and recognized over the period during which the options vest or the service period for consultant that do not qualify as an employee of the Corporation. The fair value of the options granted is measured using the Black-Scholes option pricing model and takes into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest. Upon the exercise of share-based payments, the proceeds received, net of any direct expenses, as well as the related compensation expense previously recorded into the stock options account are credited to share capital.

Share issue expenses

Share issue expenses are accounted for as decrease of equity when incurred by increasing the deficit.

Other elements of equity

Accumulated other comprehensive income (loss) includes the impact of converting the accounts of the Corporation's foreign subsidiaries into Canadian dollars. Contributed surplus includes charges related to stock options and warrants expired and amount allocated to the equity component of convertible debentures when the conversion option expired. Deficit includes all current and prior period retained profits or losses.

Loss per share

The Corporation presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares.

Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the average market price at the beginning of the period or, if later, at the date of issue of the potential ordinary shares.

Revenue recognition

Precious metals revenue, based on spot metal prices, as well as the related production cost, is recorded on delivery when rights and obligations related to ownership are transferred to the purchaser which is when the purchaser confirms acceptance of the precious metals and has performed weighting and sampling procedures.

Prior to achieving commercial production, net proceeds from metal sales are offset against mining assets under development in PPE.

Segmented information

The Corporation currently has only one operating segment which is mineral exploration, evaluation and development in Morocco.

Leases

The economic ownership of a leased asset is transferred to the lessee if the lessee bears substantially all the risks and rewards related to the ownership of the leased asset. The related asset is then recognized at the inception of the lease at the fair value of the lease's asset or, if lower, the present value of the lease payments plus incidental payments, if any. A corresponding amount is recognized as a finance lease liability. The corresponding finance lease liability is reduced by lease payments less finance charges, which are expensed as part of finance expenses.
All other leases are treated as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expenses as incurred.

Financial assets and liabilities

Financial assets and liabilities are recognized when the Corporation becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are measured initially at fair value. If the financial asset or liability is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's or liability's acquisition or origination. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Corporation has transferred substantially all risks and rewards of ownership. A financial liability is derecognized when it is extinguished, discharged, cancelled or expired.

Financial assets and liabilities are offset, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

At initial recognition, the Corporation classifies its financial instruments in the following categories by both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset:

	Classification
Financial assets	
Cash	Amortized cost
Restricted investment	Amortized cost
Accounts receivable	Amortized cost
Financial liabilities	
Accounts payable and accrued liabilities (except salaries and	Amortized cost
Interest and net profit interest payable to a related party	Amortized cost
Long-term debt (except obligation under finance lease)	Amortized cost
Balance of purchase price payable	Amortized cost

Income and expenses related to financial assets that are recognized in the consolidated statement of comprehensive loss are presented as finance income and finance expense.

Financial assets at amortized cost
Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interests. These assets are subsequently measured at amortized cost using the effective interest method. Interests income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognized in profit or loss. Discounting is omitted where the effect of discounting is immaterial. Financial assets at amortized cost include the Corporation's cash and trade and other receivables (excluding sales tax receivable) which were all, under the IAS 39, in the loans and receivables category.

Financial liabilities at amortized cost
Financial liabilities at amortized cost are subsequently measured at amortized cost using the effective interest method.

Impairment of financial assets

The Corporation uses the expected credit losses impairment model with respect to its financial assets carried at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Corporation accounts for the expected credit losses using the simplified approach over the life of financial assets measured at amortized cost. Expected credit losses over the life of the asset are expected credit losses for all of the default events that a financial instrument may experience over its expected life. The assessment of expected credit losses reflects reasonable and justifiable information about past events, current circumstances and forecasts of events and economic conditions and takes into account the factors specific to the account receivable, the general condition of the economy and a current as well as expected appreciation of the condition prevailing at the balance sheet date, including the time value of the money, if any.

Significant accounting judgments and estimates

The preparation of these consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the application of accounting policies as well as the carrying amounts of assets, liabilities, revenues and expenses. The Corporation also makes estimates and assumptions concerning the future. 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.

Significant estimates and judgment used in applying accounting policies that have most significant effect on the amount recognized in the consolidated financial statements are as follows:

i) 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 judgmental criteria and once approval by the Board of Directors, the project moves into the development phase.

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

- when the mine is substantially complete and ready for its intended use;
- the ability to sustain ongoing production at a steady or increasing level;
- mineral recoveries are at or near the expected production level; and,
- the completion of a reasonable period of testing of the mine plant and equipment.

iii) Income taxes
The Corporation is subject to income taxes in different jurisdictions. Significant judgement is required in determining the total provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is

different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.
The assessment of availability of future taxable profits involves judgment. A deferred tax asset is recognized to the extent that is probable that taxable profits will be available which deductible temporary differences and the carry-forward of unused tax credits and unused losses can be utilized.

***iv)* Provisions and contingent liabilities**

Judgments are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, past experience and the probability of a loss being realized. Several of these factors are sources of estimation uncertainty.

v) Asset retirement obligations

The Corporation's activities are subject to various laws and regulations governing the protection of the environment. The Corporation recognizes management's best estimate for decommissioning and restoration obligations in the period in which they are incurred. Actual costs incurred in future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, timing of cash outflows and discount rates could affect the carrying amount of this provision.

vi) Provision for environmental remediation

The Corporation is committed to carry out environmental work to improve certain aspects of the Zgounder's property. The Corporation recognizes management's best estimate for obligations at each reporting periods. Actual costs incurred in future periods could differ materially from the estimates.

vii) Impairment of non-financial assets (including PPE)

Non-financial assets are reviewed for an indication of impairment at each consolidated statement of financial position date or when a triggering event is identified. This determination requires significant judgment. Factors which could trigger an impairment review include, but are not limited to:

- rights to explore in an area have expired or will expire in the near future without renewal;
- no further substantive exploration or evaluation activities are planned or budgeted;
- a decision to discontinue exploration and evaluation activities in an area because of the absence of commercial reserves; and
- sufficient data exists to indicate that the book value will not be fully recovered from future development and production.

The Corporation's recoverable amount measurements with respect to the carrying amount of non-financial assets are based on numerous assumptions and may differ significantly from actual recoverable amounts. The recoverable amounts are based, in part, on certain factors that may be partially or totally outside of the Corporation's control. This evaluation involves a comparison of the estimated recoverable amounts of non-financial assets to their carrying values. The estimated recoverable amounts may differ from actual recoverable amounts, and these differences may be significant and could have a material impact on the Corporation's financial position and results of operations.

The Zgounder property is qualified as being in development stage. It is classified, together with all its related assets, under Mining assets under development in PPE. An impairment test was performed as at December 31, 2018 and 2017, as it is not yet amortized. Several assumptions were required such as the expected cash flows, the future price of silver and of the future foreign currency rate of Canadian to US dollar and the discount rate.

Management plans to execute further substantive exploration and evaluation activities on its Boumadine property when appropriate financing will be raised. Management believes the fundamental outlook for this property remains good for the future.

Since the Corporation pursued its exploration work on the Boumadine property during 2018 under an exploration program, and intends to pursue it in 2019 and that the Corporation honored in early 2019 the fourth payment that was due by December 2018, no impairment indicators was identified with respect to that property as at December 31, 2018.

viii) Going concern

The assessment of the Corporation's ability to continue as a going concern and execute its strategy by funding future working capital and exploration and evaluation activities involves judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Areas of significant judgments in assessing whether the going concern assumption is appropriate relate, among others, to the expected timing to secure its financing on a timely basis.

ix) Share-based compensation expense

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Corporation has made estimates as to the volatility of its own shares, the probable life of options and the time of exercise of those options. The model used by the Corporation is the Black-Scholes model any change in the estimates or inputs utilized to determine fair value could result in a significant impact on the consolidated financial statements.

FINANCIAL REVIEW

The Corporation is at the development stage for its Zgounder project and at exploration and evaluation stage for the other projects in Morocco. The Corporation began to generate mining revenue in 2014 ($1,790,235 in 2014, $5,150,424 in 2015, $10,750,614 in 2016, $11,119,263 in 2017 and $6,341,836 in 2018, and it's applied against the mining property under construction since the project is in development stage.

Year ended December 30, 2018 versus year ended December 31, 2017

During the year ended December 31, 2018, the Corporation incurred a loss of $3,422,255 ($0.05 per share) compared to $2,162,612 ($0.04 per share) in 2017. The increased loss in 2018 is mainly attributable to the share-based payments of $1,413,800, the interest and penalties of $678,079 related to the early repayment of the loan due to EBRD and partially offset by the gain on foreign exchange amounting to $559,896 and by a decrease in consulting fees due to a reorganisation at the head office and a decrease in the net profit interest to a related party and royalties as a result of the decrease in silver sales. The royalty expense got reduced following the decrease in production from $330,769 in 2017 to $179,241 this year; the NPI also decreased for the same reasons from $433,437 to $116,571.

During the year ended December 31, 2018, 8,940,442 warrants and 1,037,500 stock options were exercised for total aggregate value of $9,018,375. The Corporation also issued 8,605,152 common shares at a price of $3.30 per common share under a non-brokered private placement for net proceeds of $28,397,000.

In March 2017, the Corporation completed a private placement of 2,884,615 units at $0.52 per unit for a total cash consideration of $1,500,000. Each unit was comprised of one common share and one warrant. Each warrant entitles the holder thereof to subscribe to one common share of the Corporation at a price of $0.80 until September 2018. Four directors of the Corporation purchased a total of 2,596,154 units.

During the year ended December 31, 2017, all remaining convertible debentures reached maturity and as at March 31, 2017 the conversion rights associated with all of the remaining unpaid convertible debentures had expired. Accordingly, on March 31, 2017, the Corporation transferred the balance in Equity component of convertible debentures in the consolidated statement of changes in equity, amounting to $2,013,721, to contributed surplus. All outstanding convertible debentures were repaid during April 2017. The Corporation also received $6,353,061 from the exercise of 3,717,932 warrants and 50,000 stock options.**Three-month period ended December 31, 2018 versus three-month period ended December 31, 2017**

During the three-month period ended December 31, 2018, the Corporation incurred a profit of $592,838 ($0.01 per share) compared to $47,194 ($0.00 per share) in 2017. The quarterly profit in 2018 is mainly attributable to variation of the foreign exchange rates.

Financial position analysis

The principal variations of assets and liabilities between December 31, 2018 and December 31, 2017 are explained as follows:

- Increase in cash mainly due to the closing of a private placement considering the issuance of 8,605,152 common shares for gross proceeds of $28,397,000.
- Capital expenditures related to flotation cells and development work at Zgounder continued during the year. Total expenditures incurred amounting to $12,707,519 were offset by silver sales totalling $6,341,836
- Repayments of $809,807 related to the balance of purchase price of the Boumadine project.
- Repayment of $7,914,600 related to the loan due to EBRD.

	Accounting policies	Revenues	Net profit (loss)	Net loss per shares (basic and diluted)	Revenue generated but accounted for against mining assets under construction (1)
Quarter ended		**$**	**$**	**$**	**$**
December 31, 2018	IFRS	-	592,838	0.01	1,366,635
September 30, 2018	IFRS	-	(639,230)	(0.02)	847,360
June 30, 2018 (2)	IFRS	-	(2,853,021)	(0.03)	2,036,795
March 31, 2018	IFRS	-	(522,843)	(0.01)	2,091,046
December 31, 2017 (3)	IFRS	-	(47,194)	(0.00)	2,938,669
September 30, 2017	IFRS	-	(690,454)	(0.01)	1,709,941
June 30, 2017	IFRS	-	(582,638)	(0.01)	2,871,507
March 31, 2017	IFRS	-	(842,326)	(0.02)	3,599,146

(1) Revenues were generated during the quarter but accounted for against mining assets under construction as the project is in development stage
(2) Includes share-based payments of $1,378,800
(3) Includes gain on extinguishment of debt of $549,352

ADDITIONAL INFORMATION ON THE NATURE OF COMPREHENSIVE LOSS COMPONENTS

The following is a breakdown of the nature of expenses included in management and administration expenses and finance expense for the three-month and twelve-month periods ended December 31:

Management and administration expenses

	Three months ended	**December 31,**	**Twelve months ended**	**December 31,**
	2018	2017	**2018**	2017
	$	$	**$**	$
Salaries and benefits	**81,985**	38,584	**196,579**	313,933
Consulting fees	**133,700**	(127,312)	**209,994**	177,207
Share-based compensation	**-**	-	**1,413,800**	-
Office	**81,374**	51,746	**226,712**	168,178
Professional fees	**(98,907)**	345,245	**323,549**	604,993
Reporting issuer costs	**98,321**	13,256	**295,669**	48,044
	296,473	321,249	**2,666,303**	1,312,355

(4) Finance expenses

	Three months ended December 31,		**Twelve months ended December 31,**	
	2018	2017	**2018**	2017
	$	$	**$**	$
Interest income	**(136,076)**	(49,010)	**(256,824)**	(59,735)
Interest expense	**(305,318)**	(390,794)	**100,259**	121,449
Accretion expense	**453,707**	336,007	**474,057**	341,396
Debt prepayment fee	**113,345**	-	**678,079**	-
	125,656	(103,797)	**995,571**	403,110

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Corporation had working capital of $22,607,432 (2017 – $3,135,362). The increase in working capital is mainly due to the proceeds received from warrants and share purchase options exercised of $9,018,375 and the issuance of share capital amounting to $28,397,000.

The Corporation also made repayments amounting to $809,607 with respect to an instalment on the balance of purchase price that was due in December 2017 and completed the early prepayment amounting to $7,996,043 related to the loan due to EBRD.

Advanced exploration on mineral properties will require substantial financial resources. There is no assurance that such financing will be available when required, or under terms that are favourable to the Corporation. The Corporation may also elect to advance the exploration and development of mineral properties through joint-venture participation.

The Corporation's principal source of financing is equity and debt financing, the success of which depends on capital markets, the attractiveness of exploration companies to investors, and metal prices. To continue its exploration and evaluation activities and be able to support its ongoing operations, the Corporation will require further equity financing.

CAPITAL MANAGEMENT

The Corporation defines capital as equity and long-term debt. When managing capital, the Corporation's objectives are:

- to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions;
- to ensure the externally imposed capital requirements relating to debt obligations are being met;
- to increase the value of the Corporation's assets; and
- to achieve optimal returns to shareholders.

These objectives will be achieved by identifying the right exploration and evaluation projects, adding value to these projects and ultimately taking them to production or obtaining sufficient proceeds from their disposal. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and evaluation and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Corporation's management team to sustain the future development of the business.

As at December 31, 2018, capital is $53,538,039 ($26,005,406 as at December 31, 2017). Management reviews its capital management approach on an ongoing basis and believes that this approach is appropriate given the relative size of the Corporation. There were no changes in the Corporation's approach to capital management during the year ended December 31, 2018.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has not entered into any off-balance sheet arrangements including, without limitation, in respect of guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative financial obligations, or in respect to any obligations under a variable interest equity arrangement.

COMMITMENTS AND CONTINGENCY

Lease agreement

As at December 31, 2018, the Corporation had a commitment under the terms of leases for office premises and office equipment ending in May 2019 and May 2021 totaling $112,224.

Royalties

As per terms of property purchase agreements, the Corporation is also committed to pay the following royalties:

- 2.5% net smelter royalty ("NSR") on the Amizmiz property and an 8 km radius area of interest;
- 2.5% royalty on revenue from the Azegour property;
- 2.0% NSR on the La Campaña property;
- 3.0% royalty to ONHYM on revenue from the Zgounder property or 1,251,325 dirhams ($172,756) for the year ended December 31, 2018 (2,474,108 dirhams ($330,769) for the year ended December 31, 2017);
- 3.0% royalty to ONHYM on revenue from the Boumadine property.

Net profit interest

The Board adopted a resolution approving the payment to Global Works, Assistance and Trading S.A.R.L. ("Glowat"), a related party, of a net-profit interest equal to 5% of "the gross revenues generated from the operations of the Zgounder silver mine, less mining and milling costs".

Contingency

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

In 2016 the court rejected the SEGM claim and asked both parties to come to an agreement. Later in 2016, SEGM lodged an appeal and the case is currently under review by the Cessation Court for a final decision.

RELATED PARTY TRANSACTIONS

During the years ended December 31, 2018 and 2017 the following related party transactions occurred in the normal course of operations:

- A firm, of which a director of the Corporation is a partner, charged professional fees amounting to $90,518 recorded as professional fees (2017 - $61,019) and $nil as share issuance costs (2017 - $48,475);
- Glowat, a private company owned by a party related to an officer and director of the Corporation charged a net profit interest expense of $116,571 (2017 - $433,437).

During the year ended December 31, 2018, the Corporation paid $498,176 (2017 – $300,000) to Glowat in settlement of amounts owing. As at December 31, 2018, the Corporation had a liability to Glowat amounting to 817,011 Moroccan dirham or $116,571 (2017 – 4,314,414 Moroccan dirham or $498,176).

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. During the three-month and twelve-month periods ended December 31, 2018 and 2017, the remuneration awarded to key management personnel (including the amounts above) is as follows:

	Three months ended December 31,		**Twelve months ended December 31,**	
	2018	2017	**2018**	2017
	$	$	**$**	$
Salaries and benefits and bonuses	**88,461**	108,559	**348,506**	387,434
Management consulting and professional fees	**36,500**	73,666	**96,590**	470,296
Share-based payments	**-**	-	**1,413,800**	-
Directors fees	**59,846**	23,453	**64,346**	52,582
	184,807	205,453	**1,923,242**	910,312

INFORMATION ON SHARES OUTSTANDING

As at March 29, 2019, the outstanding securities are as follows:

Common shares	78,356,675
Warrants	1,300,000
Share purchase options	1,190,000

FINANCIAL RISK FACTORS

There is a full disclosure and description of the Corporation's financial instruments, financial risks and capital management in notes 16 and 17 of the audited consolidated financial statements for the year ended December 31, 2018.

OTHER RISKS AND UNCERTAINTIES

The operations of the Corporation are speculative due to the high-risk nature of its business, which are the acquisition, financing, exploration, evaluation and development of mineral projects. The risks below are not the only ones facing the Corporation. Additional risks not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the Corporation's operations. If any of the following risks actually occur, the Corporation's exploration, operating and financial results may be significantly different from those expected as at the date of this MD&A.

Risks Inherent to Mining Exploration

The Corporation is engaged in the business of acquiring and exploring mineral properties in the hope of locating economic deposits of minerals. Except for the Zgounder project, the Corporation's property interests are in the exploration stage only and are without a known body of commercial ore. Accordingly, there is little likelihood that the Corporation will realize any profits in the short to medium term. Any profitability in the future from the Corporation's business will be dependent upon locating an economic deposit of minerals. However, there can be no assurance, even if an economic deposit of minerals is located, that it can be commercially mined.

Uninsured Risks

The Corporation's business is subject to a number of risks and hazards, including environmental conditions adverse, environmental regulations, political and foreign countries uncertainties, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to the Corporation's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Metal Price Volatility

The profitability of the Corporation's operations will be significantly affected by changes in metal prices. Metal prices are volatile, can fluctuate substantially and are affected by numerous factors beyond the Corporation's control. In addition, metal prices are sometimes subject to rapid short-term changes because of speculative activities.

Additional Funding Requirements

Further exploration on, and development of the Corporation's projects, will require additional capital. In addition, a positive production decision at the projects or any other development projects acquired in the future would require significant capital for project engineering and construction. Accordingly, the continuing development of the Corporation's projects will depend upon the Corporation's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. There is no assurance that the Corporation will be successful in obtaining the required financing for these or other purposes.

Regulatory Requirements

Mining operations, development and exploration activities are subject to extensive laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, environmental protection and remediation, protection of endangered and protected species, mine safety, toxic substances and other matters. Changes in these regulations or in their application are beyond the control of the Corporation and could adversely affect its operations, business and results of operations.
Government approvals and permits are currently, and may in the future be, required in connection with the Projects. To the extent such approvals are required and not obtained; the Corporation may be restricted or prohibited from proceeding with planned exploration or development activities. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

Environmental Matters

The Corporation's operations are subject to environmental regulations, which can make operations expensive or prohibit them altogether.

The Corporation may be subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products that could occur as a result of its mineral exploration, development and production. In addition, other environmental hazards may exist on a property in which the Corporation directly or indirectly holds an interest which are unknown to the Corporation at present which have been caused by previous or existing owners or operators of the property. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties.

To the extent the Corporation is subject to environmental liabilities, the payment of such liabilities or the costs that it may incur to remedy environmental pollution would reduce funds otherwise available to it and could have a material adverse effect on the Corporation. If the Corporation is unable to fully remedy an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Corporation.

Risk of Project Delay

There is significant risk involved in the development of advanced project such as the Zgounder project. There could be project delays due to circumstances beyond the Corporation's control. Risks include but are not limited to delays in acquiring all of the necessary mining and surface rights, project economics, capital funding, delays in obtaining environmental and construction authorizations and permits, as well as unforeseen difficulties encountered during the development process including labour disputes.

Risk on the Uncertainty of Title

Although the Corporation has obtained title opinions with respect to its key properties and has taken all possible measures to ensure proper title to its properties, including filing of necessary documents and payment of rents to local regulatory authorities, there is no guarantee that the title to any of its properties will not be challenged. Third parties may, unbeknownst to the Corporation, have valid claims underlying portions of the Corporation's interests.

Risk Linked to Conflict of Interest

Certain directors and officers of the Corporation may also serve as directors and/or officers of other public and private companies and devote a portion of their time to manage other business interests. Furthermore, certain directors and officers of the Corporation may also serve as directors of other companies involved in mineral exploration and development. Consequently, the possibility of conflict of interest exists at several levels.

To the extent that such other companies may participate in ventures in which the Corporation is also participating, or participate in business transactions with the Corporation, such directors and officers may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. Canadian law requires the directors and officers of the Corporation to act honestly, in good faith, and in the best interests of the Corporation and its shareholders. However, in conflict of interest situations, our directors and officers may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions or declare and refrain from voting on any matters in which such directors have a conflict of interest.

Human Resource Risk

The Corporation is dependent on its ability to attract, retain and develop highly skilled and experienced workforce and key management employees. The loss of these employees may adversely affect its business and operations. To this effect, the Corporation offers competitive remuneration and benefits and it also implemented regular training sessions to improve general and specific skills of its work force. As part of its succession planning, the Corporation also identified a limited number of high potential employees whose development aims at making them key managers within a short to medium term.

Reputational Risk

The consequence of reputational risk is a negative impact to the Corporation's public image, which may influence its ability to acquire future mining projects and retain or attract key employees. Reputational risk may arise under many situations including, among others, cyber attacks and media crisis. Prior to acquire a particular project, the Corporation mitigates reputational risk by performing due diligence, which includes a review of the mining project, the country, the scope of the project and local laws and culture. Once the decision to participate in a mining project has been taken, the Corporation continues to assess and mitigate reputational risk through regular Board and Board's Committees reviews.

Political Risk

While the government of Morocco has supported the development of its natural resources by foreign companies, there is no assurance that this government will not in the future adopt different policies or new interpretations respecting foreign ownership of mineral resources, rates of exchange, environmental protection, labour relations, and repatriation of income or return of capital. Any limitation on transfer of cash or other assets between Maya and our subsidiaries could restrict our ability to fund our operations or materially adversely affect our financial condition and results of operation.

Moreover, mining tax regimes in foreign jurisdictions are subject to differing interpretations and constant changes and may not include fiscal stability provisions. Our interpretation of taxation law, including fiscal stability provisions, as applied to our transactions and activities may not coincide with that of the tax authorities. As a result, taxes may increase and transactions may be challenged by tax authorities and our operations may be assessed, which could result in significant taxes, penalties and interest.

The possibility that a future government may adopt substantially different policies or interpretations, which might extend to the expropriation of assets, cannot be ruled out. Political risk also includes the possibility of civil disturbances and political instability in this or neighbouring countries.

OTHER

Disclosure Controls and Procedures and Internal Control over Financial Reporting

Management is responsible for the design of disclosure controls and procedures ("DC&P") to provide reasonable assurance that all relevant information required to be disclosed by the Corporation is accumulated and communicated to senior management as appropriate to allow timely decisions regarding required disclosure. Management is also responsible for the design of internal control over financial reporting ("ICFR") to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The Corporation's Chief Executive Officer and Chief Financial Officer have used the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework to design the Corporation's DC&P and ICFR as of December 31, 2018. The Corporation's Chief Executive Officer and Chief Financial Officer have each evaluated the design of the Corporation's DC&P and ICFR as of December 31, 2018 and have concluded that these controls and procedures are adequately designed to provide reasonable assurance that material information relating to the

Corporation is made known to them by others within the Corporation and to provide reasonable assurance that financial information is recorded, processed, summarized, and reported in a timely manner.

Management of the Corporation was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. The result of the inherent limitations in all control systems means no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. There has been no change in the Corporation's internal control over financial reporting during the quarter ended December 31, 2018 that has materially affected, or is reasonably likely to materially affect, the Corporation's internal control over financial reporting.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This MD&A may contain "forward-looking information", within the meaning of Canadian securities laws. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, and is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by the forward-looking information. Specifically, this MD&A includes, but is not limited to, forward-looking information regarding: the potential of the Corporation's properties; results of exploration activities and interpretation of such results; the Corporation's capacity to acquire new projects; plan, cost and timing of future exploration and development; requirements for additional capital; continuous access to capital markets; and other statements relating to the future financial and business performance and strategic plans of the Corporation.

Resource exploration, development and operations are highly speculative, characterized by a number of significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral resources but from finding mineral deposits which, though present, are insufficient in quantity and quality to return a profit from production. Although management of the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

There can be no assurance that such forward looking information will prove to be accurate and actual results could differ materially from those suggested by this forward-looking information for various reasons. Accordingly, readers should not place undue reliance on forward-looking information. The Corporation undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Corporation does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

ADDITIONAL INFORMATION AND CONTINUOUS DISCLOSURE

Additional information on the Corporation is available through regular filings of press releases and financial statements available on SEDAR (www.sedar.com) and on the Corporation's website (www.mayagoldsilver.com).

CORPORATE INFORMATION

Board of Directors

René Branchaud, Chairman (2) (3)
Dr. Elena Clarici (3) (4)
Noureddine Mokaddem (2) (4)
Nikolaos Sofronis (1) (3) (4)
Robert Taub (1) (2)
R. Martin Wong (1) (2)

(1) Audit Committee member
(2) Compensation Committee member
(3) Corporate Governance Committee member
(4) Environmental, Health and Safety and Sustainability Committee member

Officers

Noureddine Mokaddem
Founder, President and
Chief Executive Officer and
President of Maya Maroc S.A.
Zgounder Millenium Silver Mining S.A.
and
Atlas Gold and Silver

Bruno Dumais, CPA, CA
Chief Financial Officer

René Branchaud
Secretary

Auditors

Raymond Chabot Grant Thornton LLP
600, De La Gauchetière Blvd. West – Suite 2000
Montréal (Québec)

Transfer Agents

Société de fiducie Computershare du Canada
1500, rue University - Suite 700
Montréal (Québec) H3A 3S8

Legal Counsel

Lavery, de Billy, L.L.P. - Barristers and Solicitors
1, Place Ville Marie - Suite 4000
Montréal (Québec) H3B 4M4

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