

VIVA GOLD CORP.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2018

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

Reader's Note:

These unaudited interim condensed consolidated financial statements of Viva Gold Corp. have been prepared by management and have not been reviewed by the Company's auditors

Viva Gold Corp.

Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	July 31, 2018 \$ (Unaudited)	October 31, 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	109,020	574,026
Receivable and prepayments		56,328	-
		165,348	574,026
Cash – restricted	4	80,890	159,860
Exploration and evaluation assets	5	742,281	735,210
TOTAL ASSETS		988,519	1,469,096
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	88,875	597,186
Loan payable	6	261,667	-
		350,542	597,186
Asset retirement obligation	7	161,398	159,860
TOTAL LIABILITIES		511,940	757,046
SHAREHOLDERS' EQUITY			
Common shares	8	3,148,483	1,218,507
Shares subscribed	8	-	546,750
Cumulative translation adjustment		(1,181)	(4,665)
Contributed surplus	8	268,176	375,000
Deficit		(2,938,899)	(1,423,542)
TOTAL SHAREHOLDERS' EQUITY		476,579	712,050
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		988,519	1,469,096

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 9)

Approved on behalf of the Board:

“Gary MacDonald”

Gary MacDonald, Director

“James Hesketh”

James Hesketh, Director

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

Viva Gold Corp.

Interim Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars, except share data)

(Unaudited – Prepared by Management)

		For the three months ended July 31,		For the nine months ended July 31,	
	Note	2018	2017	2018	2017
		\$	\$	\$	\$
OPERATING EXPENSES					
Exploration cost	5	382,709	87,144	821,346	87,144
Management fees	6	24,452	-	70,098	-
Office costs		11,346	1,736	28,001	11,311
Professional fees	6	25,940	16,869	74,122	46,551
Share based payments	6 & 8	36,247	-	393,176	-
Shareholder information		36,110	-	79,695	-
Transfer agent and filing fees		4,450	12,284	27,570	21,049
Travel expenses		484	960	9,724	11,149
		(521,738)	(118,993)	(1,503,732)	(177,204)
Gain on settlement of accounts payable		-	-	-	105,919
Interest expense	6	(5,000)	-	(11,667)	-
Interest income		-	-	42	40
NET LOSS		(526,738)	(118,993)	(1,515,357)	(71,245)
OTHER COMPREHENSIVE INCOME (LOSS):					
Items that may be reclassified to profit or loss					
Exchange losses arising on translation of foreign operations		2,098	-	3,484	-
COMPREHENSIVE LOSS		(524,640)	(118,993)	(1,511,873)	(71,245)
BASIC AND DILUTED LOSS PER SHARE		(0.03)	(0.01)	(0.09)	(0.01)
Weighted average number of shares outstanding		17,458,250	10,254,167	16,644,272	9,462,958

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

Viva Gold Corp.

Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Number of shares	Share capital \$	Shares Subscribed \$	Cumulative Translation Adjustment \$	Contributed Surplus \$	Deficit \$	Total Equity \$
Balance as at October 31, 2016	8,754,167	723,507	-	-	-	(811,041)	(87,534)
Acquisition of exploration and evaluation assets	1,500,000	495,000	-	-	-	-	495,000
Net income	-	-	-	-	-	(71,245)	(71,245)
Balance as at July 31, 2017	10,254,167	1,218,507	-	-	-	(882,286)	336,221
Balance as at October 31, 2017	10,254,167	1,218,507	546,750	(4,665)	375,000	(1,423,542)	712,050
Private placement	4,204,000	1,051,000	(546,750)	-	-	-	504,250
Financing cost incurred	12,800	(51,524)	-	-	-	-	(51,524)
Exercise of warrants	1,230,000	430,500	-	-	-	-	430,500
Shares issued for accrued compensation	2,000,000	500,000	-	-	(375,000)	-	125,000
Share based payment	-	-	-	-	268,176	-	268,176
Exchange differences arising on translation of foreign operations	-	-	-	3,484	-	-	3,484
Net loss	-	-	-	-	-	(1,515,357)	(1,515,357)
Balance as at July 31, 2018	17,700,967	3,148,483	-	(1,181)	268,176	(2,938,899)	476,579

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

Viva Gold Corp.

Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	For the nine months ended July 31,	
	2018	2017
	\$	\$
OPERATING ACTIVITIES		
Net loss	(1,515,357)	(71,245)
Share based payments	393,176	-
Gain on settlement of accounts payable	-	(105,919)
Changes in working capital		
Receivable and prepayments	(56,250)	(1,750)
Advance	-	60,000
Accounts payable and accrued liabilities	(259,108)	29,236
Interest payable	11,667	-
Cash flow used in operating activities	(1,425,872)	(89,678)
FINANCING ACTIVITY		
Proceeds from private placement, net of costs	452,726	-
Proceeds from exercise of warrants	430,500	-
Related party advances	-	350,640
Cash flow from financing activities	883,226	350,640
INVESTING ACTIVITY		
Acquisition of exploration and evaluation assets	-	(100,575)
Land reclamation costs	76,198	(155,507)
Cash flow from (used in) investing activities	76,198	(256,082)
INCREASE (DECREASE) IN CASH FLOW	(466,448)	4,880
Impact of foreign exchange	1,442	-
CASH AND CASH EQUIVALENTS - Opening	574,026	7,502
CASH AND CASH EQUIVALENTS - Ending	109,020	12,382
Non-cash transactions:		
Conversion of accounts payable into loan	250,000	-
Shares issued for accrued compensation	375,000	-
Shares issued for exploration and evaluation assets	-	495,000

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

VIVA GOLD CORP.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2018

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. Nature of Operations and Going Concern

Viva Gold Corp. (“Viva” or the “Company”) was incorporated under the Business Corporation Act (British Columbia) on September 24, 2009. The address of the Company’s corporate office and principal place of business is Suite 302, 8047 199 Street, Langley, British Columbia, Canada, V2Y 0E2.

The Company was classified as a Capital Pool Company (“CPC”) as defined by TSX Venture Exchange (TSX-V) Policy 2.4. On February 22, 2017 the Company registered a 100% owned subsidiary, 0862130 Corp. in the State of Nevada. The Company, through its subsidiary, acquired a project located near Tonopah Nevada (the “Tonopah Project”) (Note 5). On November 7, 2017, the TSX-V accepted this acquisition as the Company’s Qualifying Transaction and the Company became a Tier 2 issuer.

These interim condensed consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. The Company’s ability to continue as a going concern is dependent upon the ability of the Company to obtain financing and generate positive cash flows from its operations. Viva is an exploration stage company and as at July 31, 2018 had an accumulated deficit of \$2,938,899. Management of the Company does not expect that its current cash position will be sufficient to meet all of its operating requirements, financial commitments, and business development priorities during the next twelve months. Accordingly, the Company will need to obtain financing in the form of debt, equity, or a combination thereof for the next twelve months to continue to operate. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These conditions indicate the existence of material uncertainty that may give rise to significant doubt about Viva’s ability to continue as a going concern.

2. Basis of Presentation

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements should be read in conjunction with the Company’s annual audited consolidated financial statements for the year ended October 31, 2017, which include all of the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors of the Company on September 25, 2018.

Basis of Measurement

These interim condensed consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The financial statements are presented in Canadian dollars unless otherwise noted.

Significant Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of

VIVA GOLD CORP.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

July 31, 2018

*(Expressed in Canadian dollars)**(Unaudited – Prepared by Management)*

making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements for the year ended October 31, 2017.

3. Cash and Cash Equivalents

	July 31, 2018	October 31, 2017
	\$	\$
Cash at bank	98,029	568,037
Guaranteed investment certificates	10,750	5,750
Deposits	241	239
	109,020	574,026

4. Restricted Cash

The Company has reclamation bonds with the Bureau of Land Management in the State of Nevada to insure the completion of future Asset Retirement Obligations as estimated utilizing a standardized reclamation cost estimating system for the State of Nevada. During the period ended July 31, 2018, the Company replaced its cash backed reclamation bonds with reclamation surety bonds through Lexon Insurance. Fifty percent of the bond value is now cash collateralized versus being fully cash backed. The Company will pay an annual surety premium for this insurance. These cash deposits are not releasable until such time that sufficient reclamation has been completed.

	July 31, 2018	October 31, 2017
	\$	\$
Opening balance	159,860	-
Addition	-	155,507
Refund	(76,198)	-
Impact of foreign exchange	(2,772)	4,353
	80,890	159,860

5. Exploration and Evaluation Assets

The Company acquired the Tonopah Project in March 2017. The Tonopah Project is an advanced stage exploration/evaluation project located on the Walter Lake Trend of Western Nevada.

VIVA GOLD CORP.**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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A continuity of the Company's exploration and evaluation assets is as follows:

	July 31, 2018	October 31, 2017
	\$	\$
Opening balance	735,210	-
Acquisition cost - cash (US\$25,000)	-	33,525
Royalty deed modification payment - cash (US\$50,000)	-	67,050
Royalty deed modification payment - shares	-	495,000
Reclamation fund	-	155,507
Impact of foreign exchange	7,071	(15,872)
	742,281	735,210

The following is a summary of exploration expenditures incurred by the Company on the Tonopah Project:

	For the three months ended		For the nine months ended	
	July 31		July 31	
	2018	2017	2018	2017
	\$	\$	\$	\$
Bond Premium	44	-	4,817	-
Consulting	39,184	9,926	88,895	9,926
Drilling	244,156	-	420,249	-
Environmental	1,324	-	15,777	-
Permits	6	332	656	332
Salaries	24,452	-	70,098	-
Samples	47,035	-	82,791	-
Supplies/General	7,057	5,884	17,353	5,884
Technical Reports	3,213	71,002	88,043	71,002
Travel	16,238	-	32,667	-
	382,709	87,144	821,346	87,144

6. Related Party Transactions

- a) The Company is a party to a consulting service agreement, dated April 10, 2017, with Kalex LLC ("Kalex"), an entity owned by James Hesketh, the Company's director, president and CEO. The agreement provides for services by Mr. Hesketh as the president and CEO of the Company for a monthly retainer of US\$12,500 and the issue of up to 2,000,000 common shares to Kalex as partial consideration for services performed, as follows:
- An initial tranche of 500,000 common shares as a signing bonus for recognition of services to secure the acquisition of the Tonopah Project;
 - A second tranche of 500,000 common shares upon TSX-V's acceptance of the Company's Qualifying Transaction;
 - A third tranche of 500,000 common shares upon completion of an updated independent NI 43-101 compliant technical report declaring mineral resources on the Tonopah Project; and
 - A fourth and final tranche of 500,000 common shares upon the completion of six months of service to the Company.

An NI 43-101 compliant technical report was issued for the Tonopah Project on March 27, 2018. During the period ended July 31, 2018, the resultant compensation expense of \$125,000 was recognized in the Company's statement of loss as share based payments. The fair value of these 500,000 shares was determined

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using the market price of the Company's common shares on March 27, 2018. All other tranches vested during the year ended October 31, 2017 and the related compensation expense of \$375,000 was recognized in the Company's statement of loss as share based payments. The fair value of these 1,500,000 shares was determined as \$0.25 per share based on the private placement that also closed on November 7, 2017 (Note 8). During the period ended July 31, 2018, the Company issued the 2,000,000 compensation shares, of which, 1,550,000 were held in escrow.

The monthly retainer of US\$12,500 as well as the common shares compensation were conditional upon TSX-V's approval of the Company's Qualifying Transaction, which was obtained on November 7, 2017. During the nine months ended July 31, 2018, the Company incurred \$140,196 in management fees/salaries. The Compensation of Mr. Hesketh is equally divided between management fees in the statement of loss and as salaries within exploration expenditures. As at July 31, 2018, \$56,949 (October 31, 2017 - \$669), included in accounts payable and accrued liabilities, was balance due to Kalex.

- b) Avisar Chartered Professional Accountants, ("Avisar") a firm where the CFO is a founder and principal, provides financial reporting services to the Company. During the nine months ended July 31, 2018, the Company incurred accounting fees of \$46,130 (2017 - \$Nil) to Avisar. As at July 31, 2018, \$8,138 (October 31, 2017 - \$Nil), included in accounts payable and accrued liabilities, was balance due to Avisar.
- c) During the year ended October 31, 2017, the Company received advances from persons related to a director in the amount of \$470,795. These advances were unsecured, non-interest bearing, and had no fixed terms of repayment. During the period ended July 31, 2018, the Company repaid \$220,795 of these advances.

On December 21, 2017, the Company reached an agreement with the lender for \$250,000 of the remaining amount, which is payable prior to December 31, 2018. The maturity period can be extended for a further one year for fee equivalent to 5% of the principal amount outstanding as at the date of the loan extension. The revised loan bears interest at 8% per annum. The Company may prepay the loan in whole or in part at any time before the stated maturity date. During the period ended July 31, 2018, the Company recognized interest expense of \$11,667. As at July 31, 2018, total loan payable amounted to \$261,667.

- d) During the period ended July 31, 2018, share based payments related to the incentive stock options (Note 8) granted to related parties amounted to \$229,866.

7. Asset Retirement Obligation

A continuity of the Company's Asset Retirement Obligation is as follows:

	July 31, 2018	October 31, 2017
	\$	\$
Opening balance	159,860	-
Addition	-	155,507
Impact of foreign exchange	1,538	4,353
	161,398	159,860

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8. Common Shares**Common Shares**

On November 7, 2017, the Company completed a non-brokered private placement of 4,204,000 units, for total proceeds of \$1,051,000. As at October 31, 2017, the Company had received advance subscriptions of \$546,750 and a further \$504,250 were received during the period ended July 31, 2018. Each subscriber received a unit at a price of \$0.25 consisting of one common share and one share purchase warrant exercisable at a price of \$0.35 per share until November 7, 2019. The insiders of the Company acquired 304,000 units in the private placement for gross proceeds of \$76,000.

In conjunction with the private placement, the Company paid cash commissions of \$51,524 and issued 12,800 units to the finders on the same terms as the other subscribers.

Escrow Shares

As of July 31, 2018, there were 1,643,750 common shares of the Company held in escrow.

Stock Options

On January 18, 2018, the Company granted a total of 1,050,000 stock options to directors, officers, employees, and consultants. The options are exercisable at \$0.50 per share and have a term of three years with 50% vesting immediately and 25% for each year following the award date. The fair value of these stock options was determined using the Black-Scholes option pricing model using the following assumptions: expected dividend yield: 0%; expected life: 3 years; expected stock price volatility: 105%; risk-free rate: 1.87%. During the period ended July 31, 2018, total share based payments expense related to these stock options amounted to \$268,176.

A continuity of the Company's incentive stock options is as follows:

	July 31, 2018	Weighted average exercise price
	# of Options	\$
Outstanding, beginning of the period	-	-
Granted	1,050,000	0.50
Outstanding, end of the period	1,050,000	0.50
Vested, end of the period	525,000	0.50

Warrants

A continuity of the Company's warrants is as follows:

	July 31, 2018	Weighted average exercise price
	# of Warrants	\$
Outstanding, beginning of the period	-	-
Granted	4,216,800	0.35
Exercised	(1,230,000)	0.35
Outstanding, end of the period	2,986,800	0.35

VIVA GOLD CORP.

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9. Subsequent Events

A total of 90,000 warrants were exercised for total proceeds of \$31,500.
