

**VIVA GOLD CORP.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**July 31, 2020**

**INTRODUCTION**

This Management Discussion and Analysis (“MD&A”) is intended to supplement Viva Gold Corp.’s (“Viva” or the “Company”) interim consolidated financial statements for the period ended July 31, 2020. All financial information, unless otherwise indicated, has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The following discussion of the Company’s financial condition and results of operations should be read in conjunction with its interim consolidated financial statements and the related notes for the period ended July 31, 2020.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is September 28, 2020.

Viva’s current business is the acquisition, exploration, and development of precious metal properties. The Company is advancing its 100% owned Tonopah Project, located in the Walker Lane Trend in Western Nevada.

James Hesketh, MMSA QP, is a Qualified Person as defined by NI 43-101 and is the Qualified Person responsible for review of technical information in this Management Discussion. Mr. Hesketh is President and CEO of Viva Gold and is an insider of the Company with overall project responsibility.

Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

**FORWARD-LOOKING INFORMATION**

This MD&A contains certain statements that may be deemed “forward-looking statements” within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995. This information and these statements, referred to herein as “forward-looking statements” are made as of the date of this MD&A or as of the date of the effective date of information described in this MD&A, as applicable. Forward looking statements in this document are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “plans”, “anticipates”, “believes”, “continue”, “intends”, “estimates”, “projects”, “potential” and similar expressions, or that events or conditions “will”, “would”, “may”, “could”, or “should” occur. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic, and competitive uncertainties and contingencies. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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## CURRENT CORPORATE HIGHLIGHTS

On September 9, 2020, the Company announced assay results for the initial three drill holes of its current 19-hole drilling program on its Tonopah Gold Project. The first three drill holes were designed to confirm and upgrade existing inferred mineralization to test the potential extension of the principal mineral zone along trend to the northwest and also to test a gap of mineralization on the southern flank of the northwest pit zone. The results confirmed and are likely to upgrade inferred gold mineralization to indicated and also extending gold mineralization further along trend to the northwest.

On August 20, 2020 the Company announced that it has retained industry consultants to initiate groundwater hydrology and geotechnical studies on the Tonopah gold project. The studies are expected to de-risk and generate data that will be used for future permitting and feasibility studies for a potential heap leach open pit mine operation at Tonopah.

On July 8, 2020, the Company announced Mr. David Whittle as a new director of the Company. Mr. Whittle is a Chartered Professional Accountant with over 25 years of senior executive experience in the mining industry.

On July 2, 2020 the Company announced it was beginning a drilling program at its Tonopah project with a goal to increase the size and confidence level of the known gold resources as well as to obtain metallurgical and environmental samples to further de-risk and advance the project towards a feasibility study.

On June 23, 2020, the Company completed a non-brokered private placement of 12,060,380 units at a price of \$0.25 per unit for gross proceeds of \$3,007,500. Each Unit consists of one common share in the capital of the Company (a "Share") and one-half of one non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of \$0.30 per Share for 36 months from the date of issuance. Proceeds of the offering will be utilized for drilling, technical studies, environmental/permitting studies, exploration of its Tonopah Project and general working capital purposes.

On June 15, 2020 the Company announced it has filed a Preliminary Economic Assessment ("PEA") Technical Report on SEDAR for the Tonopah gold project completed by Gustavson Associates of Lakewood, Colorado. Gustavson recommends that Viva continues advancing the Tonopah Project by completing a Pre-Feasibility study or Feasibility Study to establish reserves and to clarify the economic potential of the project and further outlines a work program including 5,000 meters of core and reverse circulation drilling to provide material for metallurgical and environmental studies, convert inferred resource to indicated level, and to further expand the resource. In addition, they recommend additional metallurgical test work, initiating long-lead time environmental studies, perform geotechnical analysis and to initiate Feasibility level engineering study. They recommended a work program totalling US\$1.85 million.

On May 12, 2020, the Company announced positive results from the PEA study of the Tonopah gold project, located near Tonopah, Nevada. The Base Case open pit was designed using a gold price of \$1,400. The Base Case generates a pre-tax Internal Rate of Return ("IRR") of 25% (after tax 22%) and a pre-tax net present value ("NPV") at a 5% discount rate of \$43.6 million (after tax \$36.3 million) with a 2.9 year payback of invested capital using a \$1,400 gold price. Based on price sensitivity analysis at approximately the current price of \$1,700 ounce of gold, the project returns an IRR of 47% and a pre-tax NPV 5% of \$96.0 million (after tax \$72.2 million) with a payback period of 2.0 years. • Base Case mine life of 6 years with total production of 226,000 ounces, averaging 38,000 ounces annually with the second and third years producing approximately 48,000 ounces annually. Capital costs for the project are estimated to be low with an estimated initial capital cost of \$58 million and sustaining capital cost of \$16 million net of capitalized equipment leases, capital additions, reclamation costs and recapture of working capital. Estimated cash cost of production is \$754/ounces with an all-in-sustaining cost of \$1,075 per ounce inclusive of sustaining capital and additional overhead support. Engineering design analysis indicates the potential to substantially increase pit size and contained ounces with increased gold price.

On April 29, 2020 the Company announced an updated mineral resource estimate for its Tonopah gold project. The updated mineral resource estimate increased pit-constrained Measured and Indicated gold resource by 29% and Inferred resource by 47%. This increase was a result of additional drill-hole information provided from the 2019 drill programs, rigorous validation of the entire drill-hole database, and refinements to metallurgical and pit design parameters. The study was conducted using a \$1,600 gold price pit shell, which contributed to the overall increase. The new resource expands the potential open pit in a northwesterly direction, where it remains open.

On February 21, 2020 the Company closed the second and final tranche of the non-brokered private placement. In connection with the closing of the Offering, the Company issued an aggregate of 2,938,480 units (the "Units") at a price of \$0.24 per Unit for gross proceeds of \$705,235. Each Unit consists of one common share in the capital of the Company (a "Share") and one whole transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of \$0.34 per Share until December 23, 2021 for the first tranche and February 20, 2022 for the second tranche. Proceeds of the offering will be utilized to complete the Preliminary Economic Assessment and technical work at the Tonopah Project and for general working capital purposes.

In response to the threat represented by the coronavirus, COVID-19, normal business activities in much of the world have been interrupted. At this time, it is impossible to predict the effects of COVID-19 on the business plans and future financial results and position of the Company.

## **TONOPAH PROJECT**

The Tonopah Project, located near the town of Tonopah in Western Nevada, consists of 444 unpatented mineral claims, 185 of which are subject to a 2% Net Smelter Royalty ("NSR"), with the option to acquire 1% of the NSR for US\$1.0 million. The property position totals 8,762 acres of land.

The Tonopah property contains a near-surface low-sulfidation epithermal gold system which includes near vertical quartz-adularia-gold veins hosted by the Palmetto Formation argillite and the overlying Tertiary rhyolitic volcanics all contained within a low-angle zone of mineralization which includes and often parallels an erosion surface unconformity at the top of the Palmetto. It is interpreted that ascending fluids entered the contact zone depositing precious metals in a favorable chemical and textural horizon in the base of the tertiary volcanics and in the top of the Palmetto, as well as in veins and breccia's along structures and structural junctions.

Mineralization has been identified over a northwest-southeast trending zone of several kilometers in length associated with an extensional/compressional break in the regional Rye Patch fault system and along the limbs of the Rye Patch Fault itself. Alteration and mineralization at the Tonopah Project are typical of low-sulfidation, volcanic-hosted epithermal gold deposits found elsewhere in Nevada and around the world. The deposit type is characterized by overall low original sulfide content, and quartz-adularia and clay-sericite alteration assemblages, among others. Higher grade gold mineralization appears to project along some of the veins/related structures in the tertiary volcanoclastics and ash fall tuffs (Tombstone Formation). Visible gold is commonly observed in and along the edges of veins, is frequently associated with hematite, and occurs locally in coarse form. Dendritic gold has been observed in core. Gold contained in the overall system is predominantly micron-sized in nature and is not visible to the naked eye.

The Tonopah Project is well situated and can be easily accessed by paved road 20 miles from the town of Tonopah, Nevada. Both water and power are available in close proximity to the site, although water rights will need to be leased or acquired. Tonopah is located within four hours' drive of Las Vegas, Nevada and is close to Round Mountain, Nevada, where equipment supply depots, machine shops and skilled labor can be found.

## CURRENT HIGHLIGHTS – TONAPAH PROJECT

### PEA Financial and Economic Highlights

PEA economic results estimated at a gold price of US\$1,400 per ounce are shown in both pre and post-tax U.S. Dollars as highlighted below.

<b>PEA Conceptual Economic Results</b>	
<b>(USD million)</b>	<b>Base Case</b>
<b>Gold Price</b>	<b>\$1,400</b>
<b><u>Pre-Tax Economics</u></b>	
IRR	25%
Cash Flow (Undiscounted)	\$69.7
NPV 5% Discount Rate	\$43.6
NPV 10% Discount Rate	\$25.9
Payback (Years)	2.9
<b><u>After Tax Results</u> <sup>(1)</sup></b>	
IRR	22%
Cash Flow (Undiscounted)	\$60.1
NPV 5% Discount Rate	\$36.3
NPV 10% Discount Rate	\$20.3

(1) Includes Nevada State Net Proceeds Tax and 21% US Federal Tax

Please note that a Preliminary Economic Assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic consideration applied to them that would enable them to be categorized as mineral reserves, and that there is no certainty that the preliminary economic assessment will be realized.

<b>Price Sensitivity Table</b>					
<b>Base Case - Pre-Tax (US\$MM)</b>					
<b>Gold Price</b>	<b>IRR%</b>	<b>Undiscounted Cash Flow</b>	<b>NPV 5%</b>	<b>NPV 10%</b>	<b>Payback</b>
\$1,100	1%	\$2.6	(\$8.7)	(\$15.6)	n/a
\$1,200	9%	\$25.0	\$8.7	(\$1.7)	5.1
\$1,300	17%	\$47.3	\$26.1	\$12.1	4.1
<b>\$1,400</b>	<b>25%</b>	<b>\$69.7</b>	<b>\$43.6</b>	<b>\$25.9</b>	<b>2.9</b>
\$1,500	32%	\$92.1	\$61.1	\$39.8	2.5
\$1,600	39%	\$114.4	\$78.5	\$53.6	2.2
\$1,700	47%	\$136.8	\$96.0	\$67.4	2.0

Pit shells were designed using a 45-degree slope angle in rock and 35 degrees in gravels. Gold recovery was based on column leach test results of 83% for gold mineralization in argillite material and 58% for gold mineralization in

Tertiary volcanic material, averaging around 71.8% of gold recovered with the mix of materials in the Base Case pit. Haulage ramps are 30 meters wide and have a maximum gradient of 10%. Processing rates are based on a daily crushing rate of approximately 6,800 tonnes per day utilizing three stage crushing.

Capital and operating costs were based on available vendor quotes, information available from nearby operations, and estimates by Gustavson Associates. Capital costs include the cost to relocate public roads and include \$1.0 million to exercise the purchase option to acquire 1.0% of the outstanding 2% Net Smelter Royalty on the project. Purchase of mobile equipment using conventional five-year capitalized lease purchase agreements and self-mining is assumed using 100-ton truck units. A 10% contingency factor was applied to operating cost estimates and a 20% contingency factor was applied to estimated capital components.

<b>Tonopah Project PEA Project Details</b>	
<b>(USD million)</b>	<b>Base Case</b>
<b>Gold Price</b>	<b>\$1,400</b>
Gold Ounces Sold	226,000
Initial Capital <sup>(1)</sup>	\$58
Sustaining Capital <sup>(2)</sup>	\$16
Avg. Cash Cost of Production	\$754
All In Sustaining Cost (AISC)	\$1,075
Project Life (Years)	6
Total Process Tonnes (M)	12.5
Average Grade (grams/Tonne)	0.78
Total Waste Tonnes (M)	57.8
Strip Ratio	4.6
Personnel Employed	137
<b><u>Average Operating Costs</u></b>	
Mining Costs (\$/T Mined)	\$1.28
Process Costs (\$/T Crushed)	\$4.52
Gen & Admin Cost (\$/T Crushed)	\$0.66
Offsite marketing and refining cost <sup>(3)</sup> (\$/oz)	\$1.50

(1) \$1.0 million is included in capital cost to exercise Viva's Option to acquire 1% of the 2% NSR on the project

(2) Includes capital lease purchase of mobile equipment

(3) Net of silver credits

## Resource Estimate

The updated pit-constrained mineral resource estimate for the Tonopah Project, announced on April 29, 2020, follows:

### **Pit-Constrained Mineral Resource**

<b>Classification</b>	<b>Tonnes (x1000)</b>	<b>Gold Grade grams/tonnes</b>	<b>Contained Ounces</b>
Measured	3,930	1.14	141,000
Indicated	8,900	0.65	185,000
<b>Measured and Indicated</b>	<b>12,830</b>	<b>0.79</b>	<b>326,000</b>
Inferred	8,400	0.67	181,000

Thomas C. Matthews, MMSA-QP, Principal Resource Geologist for Gustavson Associates of Lakewood, Colorado, was the Qualified Person responsible for the preparation of technical information in this release. Resources are not reserves, and do not include modifying factors which need to be considered to determine whether they are economically viable.

Mineral resources are tabulated at a cutoff grade of 0.20 g/t gold for argillite and 0.25 g/t for volcanic hosted mineralization, which constitutes a reasonable prospect for economic extraction based on a comparison with similar gold deposits in Nevada, and constrained within a US\$1,600 pit shell using a 45 degree average pit slope in all rock types and a 35 degree pit slope for gravels overburden.

### **Pit-Constrained Resource Sensitivity to Cutoff Grade**

<b>Classification</b>	<b>Cutoff Grade</b>	<b>Tonnes (x 1,000)</b>	<b>Au Grade Grams/Tonne</b>	<b>Contained Ounces</b>
<b>Measured</b>	0.15	3,930	1.12	141,000
	<b>0.20/0.25</b>	<b>3,380</b>	<b>1.14</b>	<b>141,000</b>
	1.00	1,530	2.01	99,000
<b>Indicated</b>	0.15	9,340	0.63	188,000
	<b>0.20/0.25</b>	<b>8,900</b>	<b>0.65</b>	<b>185,000</b>
	1.00	1,210	1.39	54,000
<b>Inferred</b>	0.15	8,990	0.64	185,000
	<b>0.20/0.25</b>	<b>8,400</b>	<b>0.67</b>	<b>181,000</b>
	1.00	1,440	1.33	62,000

The Base Case resource is estimated at a cutoff grade of 0.20/0.25 grams per tonne depending on rock type. This table shows limited sensitivity to changes in cutoff grade in the low-grade ranges. The 1.0 gpt cutoff grade range outlines the high-grade core of the mineralization and 42% of total contained ounces. Two distinct populations of high-grade and low-grade gold mineralization exist at the Tonopah Gold Project, which are seen in this analysis. The high-grade mineral population occurs near surface under a layer of valley floor gravels.

## Drill Hole Database

As recommended by Gustavson Associates in their July 2019 NI43-101 Mineral Resource study, the Company performed a rigorous validation of historical drill-hole collar locations. This work was completed and determined

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that a number of historical hole-location errors existed in the database that were corrected. The results of this work was the development of a more concise model, where known structures and mineralized zones were better identified.

### **2020-2021 Forward Looking Plan**

Tonopah project PEA economics justify continued investment in project development. The forward looking plan for Tonopah includes work required to advance the project through Feasibility Study and into the permitting process. These tasks include:

- 3,000 to 4,000 meters of in-fill and step-out drilling to convert inferred mineralization to measured and indicated status for mineral reserve development and to infill gaps in the model currently carried as waste
- Metallurgical column, hardness, and grinding tests to further optimize and improve heap leach gold recovery, and to provide information for feasibility design work
- Perform a trade-off study to separately process and increase recovery of high-grade free gold mined in the first three years of production from veins and breccia's
- Perform trade-off study for self-mining and crushing versus contract mining and crushing
- Geotechnical drilling and analysis to optimize pit slope design parameters
- Continue base-line water sampling, and update of hydrologic, cultural and environmental studies for permitting
- Initiate Feasibility Study to further justify project development and to develop a Plan of Operations to initiate an Environmental Impact Study for permit approval

### **Metallurgy**

Sixty-day column leach tests for gold recovery were completed in July 2019, using bulk samples, segregated by major rock type, created by compositing drill-hole samples collected from the Company's 2018-2019 drilling programs. Samples were sized to 80% minus 10 mesh and agglomerated using cement. Samples taken from the Palmetto argillite formation, which contains approximately half of the total gold resource at Tonopah, leached quickly and resulted in a gold recovery of 83% in the 60-day period, which is likely to provide a significant economic driver to the project. Recovery rates in the overlying Tertiary volcanics, a complex assemblage of locally silicified rhyolite tuffs, greywacke, air-fall tuffs and siltstone, show slower recovery rates, but with additional time under leach are expected to approximate the 60% to 70% recovery range. Incremental gold recovery was still occurring in all of the columns when the tests were terminated. This work developed potential gold recoveries of approximately 58% for material in the lower Tertiary Volcanic sequence and 83% in the underlying Ordovician Argillite sequence. Estimated blended gold recovery utilizing a three-stage crusher product is 71%. Additional metallurgical test work to test both crush size and rock type is required.

In July 2019, the Company performed an extensive review of geophysical data associated with the property that was conducted by former operators in 1994 and 2002. Of the six different geophysical methods performed, gravity and CSAMT, were proven to be the most effective for use in geologic modelling. Incorporation of the gravity and CSAMT results with geology/ore shapes results in a hypothesized argillite horst bounded by a complex of west-northwest and north-south structures. Mineralization falls along the margins of the horst, suggesting a genetic link between the horst bounding structures and mineralization. The link is established based on the concept that mineralized fluids ascend along feeder structures and spread laterally along the volcanic-argillite interface as well as into fractures and permeable horizons in the overlying tertiary volcanics. In some cases prominent structures are also noted within the argillite structure. A review of the mineralization distribution within the main resource zone indicates structural intersections that are a foci for increased mineralization due to enhanced ground preparation. On this basis a total of eleven structural junction of interest have been identified for future drill targeting demonstrating the potential for additional exploration upside.

As discussed in Viva's press release of May 21, 2019, current resource modelling work, combined with new information received in regards to historic drilling in the Midway Hills area of the Tonopah project, has helped to refine the geologic model at Tonopah and define potentially significant exploration upside potential for the project.

The Midway Hills area of the Tonopah project was the subject of exploration work by a number of reputable Companies including Coeur Mining, Rio Algom and Kennecott who drilled approximately 55 reconnaissance drill holes in the Midway Hills area between 1988 and 2002. The 2019 resource model for the Tonopah project was extended for the first time to incorporate the Midway Hills area, which developed an exploration target of 1.6 to 2.0 million tonnes with potential gold grades of 0.45 to 0.55 grams per tonne containing 20,000 to 30,000 ounces with similar lithologic and structural controls to those seen at the Tonopah project. No pit shell was developed in this area, so this material is not currently considered part of the mineral resource.

## **RESULTS OF OPERATIONS**

### **For the nine months ended July 31, 2020 as compared to the nine months ended July 31, 2019**

For the nine months ended July 31, 2020 the Company incurred a loss of \$1,215,777 (2019 – loss of \$1,362,503). The Company's loss per share was \$0.04 (2019 – \$0.07). The decrease in the loss for the period of \$146,726 was primarily the result of lower exploration costs, a decrease of \$100,011 in the current period, and a decrease of \$51,848 in investor relations costs in the current period. Exploration costs decreased primarily as a result of the reduced exploration activity prior to the commencement of its current drilling program. Current period costs are primarily associated with the Company's preparation of its PEA and the beginning of its current drilling program.

The Company has focused its resources on exploration of the Tonopah Project. A summary of such exploration cost incurred during the three and nine months ended July 31, 2020 and 2019 is as follows:

	For the three months ended		For the nine months ended		
	July 31		July 31		
	2020	2019	2020	2019	
	\$	\$	\$	\$	\$
Bond Premium	25	-	5,088	4,999	
Consulting	1,856	7,025	35,538	61,454	
Drilling	177,867	-	204,496	320,209	
Environmental	6,609	3,728	10,611	8,281	
Metallurgical Testwork	19	12,022	4,292	33,526	
Permits	-	-	-	1,813	
Salaries	17,084	16,597	50,768	55,430	
Samples	15,191	-	15,141	61,348	
Supplies/General	9,683	2,421	19,081	5,843	
Technical Reports	101,238	27,461	156,147	39,527	
Travel	15,956	5,442	15,983	24,726	
	<b>345,528</b>	<b>74,696</b>	<b>517,145</b>	<b>617,156</b>	

The Company also incurred \$236,292 (2019 - \$216,093) in share-based payments expense relating to the incentive stock options vested during the period ended July 31, 2020. Included in the comparative period were expenses related to stock options and the recognition of shares issued to the CEO as part of his consulting services agreement.

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**For the three months ended July 31, 2020 as compared to the three months ended July 31, 2019**

For the three months ended July 31, 2020 the Company incurred a loss of \$657,365 (2019 – loss of \$268,638). The Company's loss per share was \$0.02 (2019 – loss of \$0.01). The Company had \$653,929 of operating expenses during the three months ended July 31, 2020 as compared to \$263,000 in the three months ended July 31, 2019. The increase is primarily related to the commencement of its current drilling program, preparation of technical reports on the Tonopah project and also the vesting of stock options. The drilling program, which commenced in July 2020, had costs for the three months ended July 31, 2020 of \$177,867; stock-based payment expense increased by \$125,793 in the three months ended July 31, 2020 compared to the three months ended July 31, 2019.

**SUMMARY OF QUARTERLY RESULTS**

The following table sets out selected unaudited quarterly financial information of the Company and is derived from unaudited interim consolidated financial statements prepared by management.

Period	Revenues	Income (loss) for the period \$	Basic and fully diluted income (loss) per share \$
3 <sup>rd</sup> Quarter 2020	Nil	(657,365)	(0.01)
2 <sup>nd</sup> Quarter 2020	Nil	(256,430)	(0.01)
1 <sup>st</sup> Quarter 2020	Nil	(301,982)	(0.01)
4 <sup>th</sup> Quarter 2019	Nil	(894,594)	(0.04)
3 <sup>rd</sup> Quarter 2019	Nil	(268,638)	(0.01)
2 <sup>nd</sup> Quarter 2019	Nil	(370,904)	(0.02)
1 <sup>st</sup> Quarter 2019	Nil	(722,961)	(0.04)
4 <sup>th</sup> Quarter 2018	Nil	(294,903)	(0.02)
3 <sup>rd</sup> Quarter 2018	Nil	(526,738)	(0.03)
2 <sup>nd</sup> Quarter 2018	Nil	(464,781)	(0.03)

The Company's quarterly losses are expected to vary as a result of its exploration activity on the Tonopah Project.

In the 3<sup>rd</sup> Quarter of 2020, the Company commenced a drilling program and as a result, its costs increased compared to the 2<sup>nd</sup> quarter of 2020.

In the 1<sup>st</sup> Quarter of 2020, the Company had a reduction of operating costs due to the timing of the previous drilling campaign being primarily completed in the previous quarter.

In the 4<sup>th</sup> Quarter of 2019, the Company started a new drilling and sampling program for its Tonopah project, which increased costs for the quarter. Total exploration costs in the fourth quarter of 2019 was \$662,663 as compared to \$74,696 in the 3<sup>rd</sup> quarter of 2019.

In the 1<sup>st</sup> quarter of 2019, the Company started a new drilling program for its Tonopah project, which increased its costs for the quarter.

In the 4<sup>th</sup> quarter of 2018, the Company incurred \$126,290 in exploration costs, which was a reduction from \$382,709 incurred in the 3<sup>rd</sup> quarter of 2018.

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## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's principal source of liquidity as at July 31, 2020 was cash and cash equivalents totaling \$2,030,762 (October 31, 2019 – \$35,979).

During the period ended July 31, 2020, the Company's cash used in operating activities amounted to \$1,259,678.

During the nine months ended July 31, 2020, the Company completed two non-brokered private placements. Total net proceeds from the private placements in the nine months ended July 31, 2020 was \$3,712,736. In addition, during July 2020, the company repaid its outstanding loan of \$257,404.

On June 23, 2020, the Company completed a non-brokered private placement of 12,060,380 units at a price of \$0.25 per unit for gross proceeds of \$3,007,500. Each Unit consists of one common share in the capital of the Company (a "Share") and one-half of one non-transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of \$0.30 per Share for 36 months from the date of issuance.

On February 21, 2020 the Company closed the second and final tranche of the non-brokered private placement. In connection with the closing of the Offering, the Company issued an aggregate of 2,938,480 units (the "Units") at a price of \$0.24 per Unit for gross proceeds of \$705,235. Each Unit consists of one common share in the capital of the Company (a "Share") and one whole transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of \$0.34 per Share until December 23, 2021 for the first tranche and February 20, 2022 for the second tranche.

On August 6, 2019, the Company closed the second and final tranche of the non-brokered August 2019 Private Placement (the "Offering"). In total, the Company issued 3,395,502 Units in both tranches of the Offering for gross proceeds of \$1,018,650. Each Unit consisted of one common share in the capital of the Company (a "Share") and one whole transferable common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of CDN\$0.40 per Share. Warrants issued in the first tranche are exercisable until July 3, 2021 and those Warrants issued in the second tranche are exercisable until August 6, 2021, both of which are 24 months from the date of issuance.

On November 13, 2018 the Company closed the second and final tranche of its 2018 non-brokered Private Placement. In total, the Company issued 2,990,536 Units in the Offering for gross proceeds of CDN \$1,106,498. Each Unit consisted of one common share in the capital of the Company (a "Share") and one whole transferable common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of CDN\$0.47 per Share. Warrants issued in the first tranche are exercisable until October 26, 2020 and those Warrants issued in the second tranche are exercisable until November 13, 2020, both of which are 24 months from the date of issuance. A total of \$696,927 of net proceeds were received in the first quarter of the 2019 fiscal year.

With the exception of interest earned on cash holdings, the Company does not generate any income and relies upon current cash resources and future financings to fund its ongoing business and exploration activities. The Company will require further financing in its 2021 fiscal year to continue as a going concern. The Company will explore appropriate financing routes which may include: additional issuance of share capital; funding through project debt; convertible securities; or other financial instruments. As at the date of this MD&A, the Company is unable to determine the impact of COVID-19 on the Company's efforts in this regard. The financial statements of the Company and this MD&A 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. Viva is an exploration stage company and as at July 31, 2020 had an accumulated deficit of \$6,706,676. 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

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development priorities during the next twelve months. Accordingly, the Company will need to obtain financing in the form of debt, equity, or a combination 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.

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any material off-balance sheet arrangements such as guarantee contracts, contingent interests in assets transferred to unconsolidated entities, derivative instrument obligations, or with respect to any obligations under a variable interest entity arrangement.

### **RELATED PARTY TRANSACTIONS**

- a) The Company is 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. During the period ended July 31, 2020, the Company incurred \$101,536 (2019 - \$110,860) 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, 2020, \$25,850 (October 31, 2019 - \$77,396), included in accounts payable and accrued liabilities, was due to Kalex.
- b) Avisar Everyday Solutions and Avisar Chartered Professional Accountants ("Avisar"), firms where the CFO is a founder and principal, provides bookkeeping, treasury, and financial reporting services to the Company. During the period ended July 31, 2020, the Company incurred accounting fees of \$50,143 (2019 - \$38,503) to both firms. As at July 31, 2020, \$5,460 (October 31, 2019 - \$6,110), included in accounts payable and accrued liabilities, was due to Avisar.
- c) During the period ended July 31, 2020, share based payments related to the incentive stock options granted to related parties amounted to \$108,366.

### **CAPITAL MANAGEMENT**

The Company manages its common shares, stock options, and warrants as capital. The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments in light of operating results, changes in economic conditions, and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, warrants or options, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

In order to maximize ongoing development efforts, the Company does not pay out dividends. The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest bearing investments with maturities 90 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

### **FINANCIAL INSTRUMENTS**

The Company's financial instruments as at July 31, 2020 consist of cash and cash equivalents, receivables, restricted cash, and its accounts payable and accrued liabilities. The fair value of these instruments approximates their carrying value. There were no off-balance sheet financial instruments.

Cash and cash equivalents consist solely of cash deposits with major banks in the United States and Canada.

The Company does not use derivative or hedging instruments to reduce its exposure to fluctuations in foreign currency exchange rates involving the US dollar.

### **OUTSTANDING SHARES**

As at the date of this MD&A, the Company has 39,226,425 common shares outstanding, of which 328,750 are held in escrow. The Company also has 3,808,500 incentive stock options outstanding, exercisable at a weighted average exercisable price of \$0.34 per share, and 15,545,518 share purchase warrants outstanding, exercisable at weighted average price of \$0.36 per share.

### **MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCING REPORTING**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the period ended July 31, 2020 and this accompanying MD&A (together, the "Filings").

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Approval**

The Audit Committee of Viva has approved the disclosure contained in this MD&A.