

VIVA GOLD CORP.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

July 31, 2019

(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 auditor

Viva Gold Corp.

Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars)

	Note	July 31, 2019	October 31, 2018
		\$	\$
		(Unaudited)	
ASSETS			
Current Assets			
Cash and cash equivalents	3	540,248	415,406
Receivable and prepayments		113,786	28,585
		<u>654,034</u>	<u>443,991</u>
Cash – restricted	4	81,704	81,667
Exploration and evaluation assets	5	749,752	749,409
TOTAL ASSETS		<u>1,485,490</u>	<u>1,275,067</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	6	132,775	217,389
Loan payable	6	241,749	266,667
		<u>374,524</u>	<u>484,056</u>
Asset retirement obligation	7	163,022	162,948
TOTAL LIABILITIES		<u>537,546</u>	<u>647,004</u>
SHAREHOLDERS' EQUITY			
Common shares	8	4,894,686	3,533,775
Shares subscribed	8	118,250	19,980
Cumulative translation adjustment		8,297	3,687
Contributed surplus	8	523,016	304,423
Deficit		(4,596,305)	(3,233,802)
TOTAL SHAREHOLDERS' EQUITY		<u>947,944</u>	<u>628,063</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>1,485,490</u>	<u>1,275,067</u>

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)

(Unaudited – Prepared by Management)

		For the three months ended July 31,		For the nine months ended July 31,	
	Note	2019	2018	2019	2018
		\$	\$	\$	\$
OPERATING EXPENSES					
Exploration cost	5	74,696	382,709	617,156	821,346
Management fees	6	16,597	24,452	55,430	70,098
Office costs		15,814	4,679	35,527	28,001
Professional fees	6	26,376	25,940	85,160	74,122
Share based payments	8	32,571	36,247	216,093	393,176
Shareholder information		84,166	36,110	279,665	79,695
Transfer agent and filing fees		12,606	4,450	32,880	27,570
Travel expenses		174	484	10,640	9,724
		(263,000)	(515,071)	(1,332,551)	(1,503,732)
Interest Expense		(5,638)	(11,667)	(30,082)	(11,667)
Interest Income		-	-	130	42
NET LOSS		(268,638)	(526,738)	(1,362,503)	(1,515,357)
OTHER COMPREHENSIVE LOSS:					
Items that may be reclassified to profit or loss					
Exchange losses arising on translation of foreign operations		(11,226)	2,098	4,610	3,484
COMPREHENSIVE LOSS		(279,864)	(524,640)	(1,357,893)	(1,511,873)
BASIC AND DILUTED LOSS PER SHARE		(0.01)	(0.03)	(0.07)	(0.09)
Weighted average number of shares outstanding		21,501,121	17,458,250	20,940,801	16,644,272

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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, 2017	10,254,167	1,218,507	546,750	(4,665)	375,000	(1,423,542)	712,050
Private placements	4,204,000	1,051,000	(546,750)	-	-	-	504,250
Financing cost incurred	12,800	(51,524)	-	-	-	-	(51,524)
Shares issued for accrued compensation	2,000,000	500,000	-	-	(375,000)	-	125,000
Exercise of warrants	1,230,000	430,500	-	-	-	-	430,500
Share based payments	-	-	-	-	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
Balance as at October 31, 2018	18,836,077	3,533,775	19,980	3,687	304,423	(3,233,802)	628,063
Private placements	4,154,320	1,383,215	(19,980)	-	-	-	1,363,235
Financing cost incurred – Cash	-	(33,804)	-	-	-	-	(33,804)
Financing cost incurred – Warrants	-	(2,500)	-	-	2,500	-	-
Share subscriptions received in advance	-	-	118,250	-	-	-	118,250
Exercise of warrants	40,000	14,000	-	-	-	-	14,000
Share based payments	-	-	-	-	216,093	-	216,093
Exchange differences arising on translation of foreign operations	-	-	-	4,610	-	-	4,610
Net loss	-	-	-	-	-	(1,362,503)	(1,362,503)
Balance as at July 31, 2019	23,030,397	4,894,686	118,250	8,297	523,016	(4,596,305)	947,944

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,	
	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Net loss	(1,362,503)	(1,515,357)
Share based compensation	216,093	393,176
Changes in working capital		
Receivable and prepayments	(85,232)	(56,250)
Accounts payable and accrued liabilities	(84,891)	(259,108)
Interest payable	30,082	11,667
Cash flow used in operating activities	<u>(1,286,451)</u>	<u>(1,425,872)</u>
FINANCING ACTIVITY		
Proceeds from private placements, net of costs	1,329,431	452,726
Proceeds from exercise of warrants	14,000	430,500
Share subscriptions received in advance	118,250	-
Repayment of loan	(55,000)	-
Cash flow from financing activities	<u>1,406,681</u>	<u>883,226</u>
INVESTING ACTIVITY		
Land reclamation costs	-	76,198
Cash flow from investing activities	<u>-</u>	<u>76,198</u>
DECREASE IN CASH FLOW	120,230	(466,448)
Impact of foreign exchange	4,612	1,442
CASH AND CASH EQUIVALENTS - Opening	<u>415,406</u>	<u>574,026</u>
CASH AND CASH EQUIVALENTS - Ending	<u>540,248</u>	<u>109,020</u>
Non-cash transactions:		
Conversion of accounts payable into loan	-	250,000
Shares issued for accrued compensation	-	375,000
Finders' warrants issued	2,500	-

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, 2019

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

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, 2019 had an accumulated deficit of \$4,596,305. 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 further financing, which could be in the form of debt, equity, or a combination thereof, during 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, 2018, 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, 2019.

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 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.

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

July 31, 2019

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

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, 2018.

3. Cash and Cash Equivalents

	July 31, 2019	October 31, 2018
	\$	\$
Cash at bank	529,255	404,413
Guaranteed investment certificates	10,750	10,750
Deposits	243	243
	540,248	415,406

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 (Note 7) as estimated utilizing a standardized reclamation cost estimating system for the State of Nevada. During the year ended October 31, 2018, the Company replaced 50% of its cash backed reclamation bonds with reclamation surety bonds through Lexon Insurance. The Company pays an annual surety premium for this insurance. These cash deposits are not releasable until such time that sufficient reclamation has been completed. As at July 31, 2019, total reclamation bonds held with the Bureau of Land Management amounted to US\$62,142 (October 31, 2018 – US\$62,142).

	July 31, 2019	October 31, 2018
	\$	\$
Opening balance	81,667	159,860
Refund	-	(76,198)
Impact of foreign exchange	37	(1,995)
	81,704	81,667

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

July 31, 2019

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

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

	July 31, 2019	October 31, 2018
	\$	\$
Opening balance	749,409	735,210
Impact of foreign exchange	343	14,199
	749,752	749,409

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	
	2019	2018	2019	2018
	\$	\$	\$	\$
Bond Premium	(4)	44	4,999	4,817
Consulting	7,029	39,184	61,454	88,895
Drilling	-	244,156	320,209	420,249
Environmental	3,728	1,324	8,281	15,777
Metallurgical Testwork	12,022	-	33,526	-
Permits	-	6	1,813	656
Salaries	16,597	24,452	55,430	70,098
Samples	-	47,035	61,348	82,791
Supplies/General	2,421	7,057	5,843	17,353
Technical Reports	27,461	3,213	39,527	88,043
Travel	5,442	16,238	24,726	32,667
	74,696	382,709	617,156	821,346

6. 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, 2019, the Company incurred \$110,860 (2018 - \$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 of January 1, 2019, monthly management fees/salaries payable under this agreement were reduced to US\$8,333 from US\$12,500. As at July 31, 2019, \$85,510 (October 31, 2018 - \$116,944), included in accounts payable and accrued liabilities, was the balance due to Kalex.
- b) Avisar Chartered Professional Accountants and Avisar Everyday Solutions Ltd. (together, "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, 2019, the Company incurred accounting fees of \$38,503 (2018 - \$27,980) to Avisar. As at July 31, 2019, \$10,920 (October 31, 2018 - \$23,740), included in accounts payable and accrued liabilities, was the balance due to Avisar.
- c) The Company is party to a loan agreement for a principal amount of \$250,000 with a Company affiliated with a director of the Company. The loan bears interest at 8% per annum and was payable on December 21, 2018. The agreement allowed for the maturity date of the loan to be extended for a further one year for a fee

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

of 5% of the principal amount. The Company exercised the extension option and as a result, the loan is now due on December 21, 2019. During the period ended July 31, 2019, the Company repaid \$55,000 of the principal and recognized interest expense, including the loan extension fee, of \$30,082 (2018 - \$11,667). As at July 31, 2019, total interest accumulated on the loan amounted to \$34,249.

- d) During the period ended July 31, 2019, share based payments related to the incentive stock options (Note 8) granted to related parties amounted to \$196,376 (2018 - \$229,866).

7. Asset Retirement Obligation

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

	July 31, 2019	October 31, 2018
	\$	\$
Opening balance	162,948	159,860
Impact of foreign exchange	74	3,088
	163,022	162,948

8. Share Capital**Common Shares**

The Company is authorized to issue an unlimited number of common shares without par value.

On July 3, 2019, the Company closed a private placement of 2,198,334 for total proceeds of \$659,500. Each subscriber received a unit at a price of \$0.30 consisting of one common share and one common share purchase warrant exercisable at \$0.40 per share until July 3, 2021. In conjunction with the private placement, the Company paid cash commissions of \$20,576.

As at July 31, 2019, the Company had received advance subscriptions of \$118,250 related to the second tranche of this private placement (Note 9).

On November 13, 2018, the Company closed a non-brokered private placement of 1,955,986 units for total proceeds of \$723,715. Each subscriber received a unit at a price of \$0.37 consisting of one common share and one common share purchase warrant exercisable at \$0.47 per share until November 13, 2020. An officer of the Company acquired 54,000 units in the private placement for gross proceeds of \$19,980, which the Company had received during the year ended October 31, 2018. In conjunction with the private placement, the Company paid cash commissions of \$13,228, and also issued 12,000 warrants to the finders on the same terms as the other subscribers. The fair value of these warrants issued to the finders amounted to \$2,500 and was determined using the Black-Scholes option pricing model using the following assumptions: expected dividend yield: 0%; expected life: 2 years; expected stock price volatility: 110%; risk-free rate: 2.31%.

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

July 31, 2019

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

As of July 31, 2019, there were 986,250 common shares of the Company held in escrow.

Stock Options

On March 20, 2019, the Company issued 100,000 stock options to a director. The options are exercisable at \$0.30 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: 110%; risk-free rate: 1.61%. During the period ended July 31, 2019, total share based payments expense related to these stock options amounted to \$13,794.

On December 13, 2018, the Company issued 1,025,000 stock options to its directors, officers, employees, and consultants. The options are exercisable at \$0.29 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: 110%; risk-free rate: 2.06%. During the period ended July 31, 2019, total share based payments expense related to these stock options amounted to \$152,687.

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, 2019, total share based payments expense related to these stock options amounted to \$49,612.

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

	July 31, 2019 Weighted average	
	# of Options	exercise price
		\$
Outstanding, beginning of the period	1,050,000	0.50
Granted	1,125,000	0.29
Forfeited	(100,000)	0.50
Outstanding, end of the period	2,075,000	0.39
Vested, end of the period	1,275,000	0.41

The details of stock options outstanding as at July 31, 2019 are as follows:

Number of Options	Exercise Price (\$)	Expiry Date	Remaining Life (Years)
950,000	0.50	January 18, 2021	1.47
1,025,000	0.29	December 13, 2021	2.37
100,000	0.30	March 20, 2022	2.64
2,075,000	0.39		1.97

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July 31, 2019

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

Warrants

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

	July 31, 2019	Weighted average
	# of Warrants	exercise price
		\$
Outstanding, beginning of the period	3,931,350	0.38
Granted	4,166,320	0.43
Exercised	(40,000)	0.35
Outstanding, end of the period	8,057,670	0.41

Details of share purchase warrants outstanding as at July 31, 2019 are as follows:

Number of Warrants	Exercise	Expiry Date	Remaining
	Price (\$)		Life (Years)
2,856,800	0.35	November 7, 2019	0.27
1,034,550	0.47	October 26, 2020	1.24
1,967,986	0.47	November 13, 2020	1.29
2,198,334	0.40	July 3, 2021	1.93
8,057,670	0.41		1.10

9. Subsequent Events

On August 6, 2019, the company closed the second and final tranche of the non-brokered Private Placement (the "Offering") announced April 3, 2019. In total, the Company issued 3,395,502 Units in both tranches of the Offering for gross proceeds of \$1,018,650. Each Unit consists 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. A total of \$232,500 related to the financing was received subsequent to July 31, 2019.

A director of the Company acquired 50,000 units in the second tranche of the private placement.

In August 2019, the Company made a payment of \$105,000 against the principal amount of \$250,000 debt owing to a Company affiliated with a director of the Company.
