

VIVA GOLD CORP.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2020

(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	January 31, 2020	October 31, 2019
		\$	\$
ASSETS		(Unaudited)	
Current Assets			
Cash and cash equivalents	4	160,272	35,979
Receivable and prepayments		43,466	61,393
		203,738	97,372
Cash – restricted	5	82,233	81,779
Exploration and evaluation assets	6	754,599	750,436
Right of use asset	3	16,004	-
TOTAL ASSETS		1,056,574	929,587
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	95,441	255,448
Loan Payable	7 & 8	250,022	196,068
Lease Liability	3	16,240	-
		361,703	451,516
Asset retirement obligation	9	164,076	163,171
TOTAL LIABILITIES		525,779	614,687
SHAREHOLDERS' EQUITY			
Common shares	10	5,689,983	5,231,513
Shares subscribed	10	33,338	-
Cumulative translation adjustment		14,718	12,714
Contributed surplus	10	585,637	561,572
Deficit		(5,792,881)	(5,490,899)
TOTAL SHAREHOLDERS' EQUITY		530,795	314,900
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,056,574	929,587

Nature of Operations and Going Concern (Note 1)
Events Occurring after the Reporting Period (Note 8 & 10)

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 interim 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 January 31,	
	Note	2020	2019
		\$	\$
OPERATING EXPENSES			
Amortization expense	3	3,717	-
Exploration cost	6	90,822	383,991
Management fees	7	16,454	22,179
Office costs		9,503	5,212
Professional fees	7	17,208	24,718
Share based payments	7 & 10	24,065	146,970
Investor relations		122,214	108,287
Transfer agent and filing fees		3,052	11,148
Travel expenses		11,065	1,654
		(298,100)	(704,159)
Interest expense	7	(3,954)	(18,874)
Interest income		72	72
NET LOSS		(301,982)	(722,961)
OTHER COMPREHENSIVE INCOME (LOSS):			
Items that may be reclassified to profit or loss			
Exchange losses arising on translation of foreign operations		2,004	3,159
COMPREHENSIVE LOSS		(299,978)	(719,802)
BASIC AND DILUTED LOSS PER SHARE		(0.01)	(0.04)
Weighted average number of shares outstanding		25,078,562	20,515,674

The accompanying notes are an integral part of these interim 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, 2018	18,836,077	3,533,775	19,980	3,687	304,423	(3,233,802)	628,063
Private placements - Cash	1,955,986	723,715	(19,980)	-	-	-	703,735
Financing cost incurred - Cash	-	(6,808)	-	-	-	-	(6,808)
Financing cost incurred - Warrants	-	(2,500)	-	-	2,500	-	-
Share based payments - Options	-	-	-	-	146,970	-	146,970
Exchange differences arising on translation of foreign operations	-	-	-	3,159	-	-	3,159
Net loss	-	-	-	-	-	(722,961)	(722,961)
Balance as at January 31, 2019	20,792,063	4,248,182	-	6,846	453,893	(3,956,763)	752,158
Balance as at October 31, 2019	24,227,565	5,231,513	-	12,714	561,572	(5,490,899)	314,900
Private placement - Cash	2,007,480	481,795	33,338	-	-	-	515,133
Financing cost incurred - Cash	-	(23,325)	-	-	-	-	(23,325)
Share based payments – Options	-	-	-	-	24,065	-	24,065
Exchange differences arising on translation of foreign operations	-	-	-	2,004	-	-	2,004
Net loss	-	-	-	-	-	(301,982)	(301,982)
Balance as at January 31, 2020	26,235,045	5,689,983	33,338	14,718	585,637	(5,792,881)	530,795

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

Viva Gold Corp.

Interim Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

Unaudited – Prepared by Management

	For the three months ended January 31,	
	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Net loss	(301,982)	(722,961)
Accretion of lease liability	466	-
Amortization	3,717	-
Share based payments	24,065	146,970
Changes in working capital		
Receivable and prepayments	17,928	(220,016)
Accounts payable and accrued liabilities	(160,481)	65,727
Interest payable	3,954	18,874
Cash flow used in operating activities	<u>(412,333)</u>	<u>(711,406)</u>
FINANCING ACTIVITIES		
Proceeds from private placement, net of costs	491,808	696,927
Proceeds from exercise of warrants	(3,951)	-
Proceeds from loans	50,000	-
Cash flow from financing activities	<u>537,857</u>	<u>696,927</u>
INCREASE (DECREASE) IN CASH	125,524	(14,479)
Impact of foreign exchange	(1,231)	1,534
CASH AND CASH EQUIVALENTS – Beginning	<u>35,979</u>	<u>415,406</u>
CASH AND CASH EQUIVALENTS – Ending	<u>160,272</u>	<u>402,461</u>
Non-cash transactions:		
Conversion of accounts payable into loan	-	-
Shares issued for accrued compensation	-	-
Finders' warrants issued	-	2,500

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

VIVA GOLD CORP.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

January 31, 2020

(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 January 31, 2020 had an accumulated deficit of \$5,792,881. 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, 2019, 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 March 25, 2020.

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

January 31, 2020

(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, 2019 except for the adoption of IFRS 16, as described in Note 3.

3. Changes in Accounting policies

IFRS 16 *Leases* sets out the principles for recognition, measurement, presentation, and disclosure of leases. It eliminates the classification of leases as either operating or finance leases required by IAS 17 and introduces a single lessee accounting model.

From November 1, 2019, leases are recognized as a right-to-use asset with a corresponding liability at the date at which the leased asset is available for use. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable.
- Variable lease payments that are based on an index or a rate.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the Company is reasonably certain to exercise that option.
- Payments for penalties for terminating the lease.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs.
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less. Low value assets comprise office equipment.

The Company adopted IFRS 16 retrospectively from November 1, 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provisions in the standard. The adjustments arising from the new leasing rules were therefore recognized in the opening balance sheet on November 1, 2019

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

January 31, 2020

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

In applying IFRS 16 for the first time, the Company used the following practical expedients permitted by the standard.

- Account for leases with a remaining term of less than 12 months as of November 1, 2019 as short-term leases;
- Apply a discount rate equivalent to the incremental borrowing rate of the Company;
- Account for lease payments as an expense and not recognize a right-to-use asset if the underlying asset is of low dollar value; and
- Use hindsight in determining the lease term where the contract contains terms to extend or terminate the lease

In March 2019, the Company entered into a lease agreement for an office space in Tonopah, Nevada and had accounted for it as an operating lease based on the previous IFRS standards as of October 31, 2019. On November 1, 2019, the Company adopted IFRS 16 standard and recognized this lease as per the new standard. For the purpose of initial recognition of right of use asset and lease liability, the Company used the total commitment amount of \$21,056 (US\$16,000) as at October 31, 2019 and discounted this amount to \$19,632 (US\$14,918) by using a discount rate of 10%, the Company's incremental borrowing rate.

A continuity of the Company's lease liability is as follows:

FS Presentation- January 31, 2020	
Lease Liability	
Initial recognition	19,632
Payments	(3,951)
Accretion	466
Impact of foreign exchange	93
	16,240

A continuity of the Company's right of use asset schedule is as follows:

FS Presentation- January 31, 2020	
Right of Use Asset	
Initial recognition	19,632
Amortization	(3,717)
Impact of foreign exchange	89
	16,004

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

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4. Cash and Cash Equivalents

	January 31, 2020	October 31, 2019
	\$	\$
Cash at bank	149,277	24,986
Guaranteed investment certificates	10,750	10,750
Deposits	245	243
	160,272	35,979

5. 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 9) as estimated utilizing a standardized reclamation cost estimating system for the State of Nevada. 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.

	January 31, 2020	October 31, 2019
	\$	\$
Opening balance	81,779	81,667
Impact of foreign exchange	454	112
	82,233	81,779

6. 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:

	January 31, 2020	October 31, 2019
	\$	\$
Opening balance	750,436	749,409
Impact of foreign exchange	4,163	1,027
	754,599	750,436

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

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

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

	For the three months ended	
	January 31	
	2020	2019
	\$	\$
Consulting	32,908	44,024
Drilling	26,016	237,915
Environmental	1,738	929
Metallurgical Testwork	4,173	-
Permits	-	931
Salaries	16,454	22,179
Samples	-	45,718
Supplies/General	4,073	3,371
Technical Reports	5,434	12,060
Travel	26	16,864
	90,822	383,991

7. 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 January 31, 2020, the Company incurred \$32,908 (2019 - \$44,358) 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 January 31, 2020, \$66,719 (October 31, 2019 - \$77,396), included in accounts payable and accrued liabilities, was balance 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 January 31, 2020, the Company incurred accounting fees of \$15,600 (2019 - \$17,557) to both firms. As at January 31, 2020, \$5,460 (October 31, 2019 - \$6,110), included in accounts payable and accrued liabilities, was balance due to Avisar.
- c) The Company is a 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 is due on December 31, 2020. As at January 31, 2020, the outstanding balance consists of principal of \$145,000 and interest of \$55,022. During the period ended January 31, 2020, the Company recognized interest expense of \$3,954 (2019 - \$5,397).
- d) During the period ended January 31, 2020, share based payments related to the incentive stock options granted to related parties amounted to \$22,030.
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8. Loan Payable

On November 7, 2019, the Company entered into a loan agreement for a principal amount of \$50,000 with Engel Developments, an arms length party. The short-term loan bears no interest and is repayable in full upon completion of the private placements.

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

January 31, 2020

*(Expressed in Canadian dollars)**(Unaudited – Prepared by Management)***9. Asset Retirement Obligation**

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

	January 31, 2020	October 31, 2019
	\$	\$
Opening balance	163,171	162,948
Impact of foreign exchange	905	223
	<u>164,076</u>	<u>163,171</u>

10. Share Capital**Common Shares**

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

On December 24, 2019, the Company closed the first tranche of its non-brokered private placement of 2,007,480 units for total proceeds of \$481,795. Each subscriber received a unit at a price of \$0.24 consisting of one common share and one share purchase warrant exercisable at \$0.34 per share until December 23, 2021. The issuance cost for completing this private placement totalled up to \$23,325.

Escrow Shares

As of January 31, 2020, there were 1,007,500 common shares of the Company held in escrow.

Stock Options

The company issued no further stock options during the period ending January 31, 2020. As at January 31, 2020, the Company had 2,075,000 stock options outstanding (vested: 1,818,750). During the period ended January 31, 2020, total share-based payments expense related to these stock options amounted to \$24,065.

The details of stock options outstanding as at January 31, 2020 are as follows:

Number of Options	Exercise Price (\$)	Expiry Date	Remaining Life (Years)
950,000	0.50	January 18, 2021	0.97
1,025,000	0.29	December 13, 2021	1.87
100,000	0.30	March 20, 2022	2.13
<u>2,075,000</u>	<u>0.42</u>		<u>1.47</u>

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

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

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

	January 31, 2020	Weighted average exercise price	October 31, 2019
	# of Warrants	\$	
Outstanding - opening	6,398,038	0.43	3,931,350
Granted	2,007,480	0.34	5,363,488
Outstanding - ending	8,405,518	0.41	6,398,038

Details of share purchase warrants outstanding as at January 31, 2020 are as follows:

Number of Warrants	Exercise Price (\$)	Expiry Date	Remaining Life (Years)
1,034,550	0.47	October 26, 2020	0.74
1,967,986	0.47	November 13, 2020	0.79
2,198,334	0.40	July 3, 2021	1.42
1,197,168	0.40	August 3, 2021	1.51
2,007,480	0.34	December 23, 2021	1.90
8,405,518	0.41		0.74

11. Events occurring after the reporting period**Common Shares**

On February 21, 2020, the Company closed the second and final tranche of its non-brokered private placement of 931,000 units for total proceeds of \$223,440 at \$0.24 per unit. Each subscriber received a unit at a price of \$0.24 consisting of one common share and one share purchase warrant exercisable at \$0.34 per share until February 20, 2022.

Stock Options

On February 21, 2020, the Company issued a total of 548,500 stock options at an exercise price of \$0.24 for a period of three years.

Loan Payable

The loan payable balance of \$50,000 between the Company and Engel Developments was repaid in full on March 9, 2020.

COVID-19

Since March 2020, several measures have been implemented in Canada, the United States, and the rest of the world in response to the increased impact from the novel coronavirus ("COVID-19"). While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impact on our business operations cannot be reasonably estimated at this time. We anticipate this could have an adverse impact on our exploration plans, results of operations, financial position and cash flows during the current fiscal year.