VIVA GOLD CORP.
CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2018

(Expressed in Canadian dollars)

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Viva Gold Corp.

We have audited the accompanying consolidated financial statements of Viva Gold Corp., which comprise the consolidated statements of financial position as at October 31, 2018 and 2017, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Viva Gold Corp. as at October 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Viva Gold Corp's ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
February 27, 2019

Viva Gold Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	**October 31, 2018**	October 31, 2017
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	4	**415,406**	574,026
Receivable and prepayments		**28,585**	-
		443,991	574,026
Cash – restricted	5	**81,667**	159,860
Exploration and evaluation assets	6	**749,409**	735,210
TOTAL ASSETS		**1,275,067**	1,469,096
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	**217,389**	597,186
Loan payable	7	**266,667**	-
		484,056	597,186
Asset retirement obligation	8	**162,948**	159,860
TOTAL LIABILITIES		**647,004**	757,046
SHAREHOLDERS' EQUITY			
Common shares	9	**3,533,775**	1,218,507
Shares subscribed	9	**19,980**	546,750
Cumulative translation adjustment		**3,687**	(4,665)
Contributed surplus	9	**304,423**	375,000
Deficit		**(3,233,802)**	(1,423,542)
TOTAL SHAREHOLDERS' EQUITY		**628,063**	712,050
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,275,067**	1,469,096

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Note 7 & 13)

Approved on behalf of the Board:

“Gary MacDonald”	**“James Hesketh”**
Gary MacDonald, Director	James Hesketh, Director

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

Viva Gold Corp.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in Canadian Dollars)

For the Years Ended October 31,

	Note	2018	2017
		$	$
OPERATING EXPENSES			
Exploration cost	6	**947,636**	187,498
Management fees	7	**94,521**	-
Office costs		**39,188**	20,313
Professional fees	7	**107,401**	92,975
Share based payments	7 & 9	**429,423**	375,000
Investor relations		**123,805**	-
Transfer agent and filing fees		**32,483**	33,936
Travel expenses		**19,178**	11,215
		(1,793,635)	(720,937)
Gain on settlement of accounts payable	7	**-**	108,396
Interest expense	7	**(16,667)**	-
Interest income		**42**	40
NET LOSS		**(1,810,260)**	(612,501)
OTHER COMPREHENSIVE INCOME (LOSS):			
Items that may be reclassified to profit or loss			
Exchange losses arising on translation of foreign operations		**8,352**	(4,665)
COMPREHENSIVE LOSS		**(1,801,908)**	(617,166)
BASIC AND DILUTED LOSS PER SHARE		**(0.11)**	(0.06)
Weighted average number of shares outstanding		**16,916,687**	9,662,386

Viva Gold Corp.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian Dollars)

	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
Share subscriptions received in advance	-	-	546,750	-	-	-	546,750
Share based payments	-	-	-	-	375,000	-	375,000
Exchange differences arising on translation of foreign operations	-	-	-	(4,665)	-	-	(4,665)
Net loss	-	-	-	-	-	(612,501)	(612,501)
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	5,238,550	1,433,784	(526,770)	-	-	-	907,014
Financing cost incurred	23,360	(80,516)	-	-	-	-	(80,516)
Exercise of warrants	1,320,000	462,000	-	-	-	-	462,000
Shares issued for accrued compensation	2,000,000	500,000	-	-	(375,000)	-	125,000
Share based payments	-	-	-	-	304,423	-	304,423
Exchange differences arising on translation of foreign operations	-	-	-	8,352	-	-	8,352
Net loss	-	-	-	-	-	(1,810,260)	(1,810,260)
Balance as at October 31, 2018	18,836,077	3,533,775	19,980	3,687	304,423	(3,233,802)	628,063

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

Viva Gold Corp.

Consolidated Statements of Cash Flows

(Expressed in Canadian Dollars)

For the Years Ended October 31,

	2018	2017
	$	$
OPERATING ACTIVITIES		
Net loss	**(1,810,260)**	(612,501)
Share based payments	**429,423**	375,000
Gain on settlement of accounts payable	**-**	(108,396)
Changes in working capital		
Receivable and prepayments	**(28,532)**	-
Advance	**-**	60,000
Accounts payable and accrued liabilities	**88,341**	79,751
Interest payable	**16,667**	-
Cash flow used in operating activities	**(1,304,361)**	(206,146)
FINANCING ACTIVITIES		
Proceeds from private placement, net of costs	**806,518**	-
Proceeds from exercise of warrants	**462,000**	-
Share subscriptions received in advance	**19,980**	546,750
Related party advances received (repaid)	**(220,795)**	470,795
Cash flow from financing activities	**1,067,703**	1,017,545
INVESTING ACTIVITIES		
Acquisition of exploration and evaluation assets	**-**	(100,574)
Land reclamation bond refund (payment)	**76,198**	(155,507)
Cash flow from (used in) investing activities	**76,198**	(256,081)
INCREASE (DECREASE) IN CASH	**(160,460)**	555,318
Impact of foreign exchange	**1,840**	11,206
CASH AND CASH EQUIVALENTS - Beginning	**574,026**	7,502
CASH AND CASH EQUIVALENTS - Ending	**415,406**	574,026
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 consolidated financial statements

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 6). 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 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 October 31, 2018 had an accumulated deficit of $3,233,802. 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

These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These 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.

These financial statements were approved and authorized for issue by the board of Directors on February 25, 2019.

3. Significant Accounting Policies and Estimates

Basis of consolidation

These consolidated financial statements include the accounts of the Company, and its wholly owned subsidiary, 0862130 Corp. A wholly owned subsidiary is an entity in which the Company has control, directly or indirectly, where control is defined as the power to govern the financial and operating policies of an enterprise to obtain benefits from its activities. All intercompany transactions and balances have been eliminated on consolidation.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial instruments

The Company adopted IFRS 9 effective November 1, 2017. There was no impact to the Company's recognition and measurement of financial instruments as a result of the adoption of this new standard. The Company's accounting policy under IFRS 9 is as follows:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivable that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

In order for a financial asset to be classified as measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets at amortized cost (debt instruments)

The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost include its cash and cash equivalents.

Financial assets at fair value through OCI (debt instruments)

The Company measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses and reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Company does not have any debt instruments classified as financial assets at fair value through OCI.

Financial assets designated as fair value through OCI (equity instruments)

Upon initial recognition, the Company may elect to classify irrevocably its equity instruments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32, *Financial instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company does not have any instruments designated as financial assets at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are solely not payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

The Company does not have any financial assets at fair value through profit or loss.

Derecognition

A financial asset is primarily derecognized when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement; and either (a)

the Company has transferred substantially all risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of the consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include accounts payable and accrued liabilities, as payable, and loan payable.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains and losses on liabilities held for trading are recognized in the statement of profit or loss.

The Company has not designated any liabilities as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance cost in the statement of profit or loss.

The Company's loans payable are considered as loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Exploration and evaluation assets

Acquisition costs of mineral rights are initially capitalized as incurred while exploration and pre-extraction expenditures are expensed as incurred until such time proven or probable reserves are established for that project. Acquisition costs include cash consideration and the fair market value of shares issued on the acquisition of mineral properties.

Expenditures relating to exploration and pre-extraction activities are expensed as incurred until such time proven or probable reserves are established for that project, after which subsequent expenditures relating to development activities for that particular project are capitalized as incurred.

Where proven and probable reserves have been established, the project's capitalized expenditures are depleted over proven and probable reserves using the units-of-production method upon commencement of production. Where proven and probable reserves have not been established, the project's capitalized expenditures are depleted over the estimated extraction life using the straight-line method upon commencement of extraction. The Company has not established proven or probable reserves for its project.

Exploration and evaluation assets are tested for impairment if facts or circumstances indicate that impairment exists. Examples of such facts and circumstances are as follows:

- the period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognized if it is determined that the carrying value is not recoverable and exceeds fair value.

Impairment of long-lived assets

At each financial position reporting date the carrying amounts of the Company's long-lived assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use, which is the present value of future cash flows expected to be derived from the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period.

For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Foreign Currency Translation

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is the Canadian Dollar, whereas the functional currency of 0862130 Corp. has been determined to be the US Dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in International Accounting Standards 21, The Effects of Changes in Foreign Exchange Rates ("IAS 21").

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at rates prevailing at the date when the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For consolidation purposes, the assets and liabilities of the Company's subsidiary are translated at the period end rates of exchange, and the results of their operations are translated at average rates of exchange for the period. The resulting differences are recognized in cumulative translation adjustments within equity.

Asset retirement obligations

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising for the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying value of the asset, as soon as the obligation to incur such costs arises. Risk-free discount rates using pre-tax rates that reflect the time value of money are used to calculate the net present value. The Company records a provision for environmental rehabilitation in the financial statements when it is incurred and capitalizes this amount as an increase in the carrying amount of the related asset. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses.

Share-based compensation

Share-based payments to employees are measured at the fair value of the stock options issued and recognized over the vesting period. Share-based payments to non-employees are measured at the fair value of goods and services received by the Company or the fair value of the stock options granted, if the fair value of the goods and services cannot be reliably estimated. The fair value of the stock options is determined using Black-Scholes option pricing model, taking into account the terms and conditions upon which the stock options are granted. At each reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Warrants issued in equity financing transactions

The Company allocates a value to warrants issued as part of units in private placement offerings using the residual method, whereby the value in excess of the market price of the shares is allocated to the warrant. If and when the expiration date of such warrants is extended or the exercise price is decreased, the Company does not record a charge for the incremental increase in fair value.

Income taxes

Current income taxes

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates the positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income taxes

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) enacted or substantively enacted at the end of each reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exits to set off current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Loss per share

The Company presents basic and diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the periods presented. Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

For both years presented, there were no dilutive instruments. Accordingly, diluted loss per share equals basic loss per share.

(Expressed in Canadian dollars)

Significant accounting judgements and estimates

Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Significant judgement is applied in the determination of the Company's ability to continue as a going concern. Significant areas requiring the use of management estimates relate to the assessment of impairment of its mineral properties, asset retirement obligations, share-based payments and deferred income tax assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected**.**

Accounting standards issued but not yet applied by the Company

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after November 1, 2018 or later periods. Many are not applicable or do not have a significant impact on the Company and have been excluded from the summary below.

IFRS 16, Leases

IFRS 16, Leases, is a new standard that sets out the principals of recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The amendments are effective for annual periods beginning on or after January 1, 2019. The Company does not currently have any leases and therefore does not expect the standard to have a significant impact on its financial statements.

4. Cash and Cash Equivalents

	October 31, 2018	October 31, 2017
	$	$
Cash at bank	**404,413**	568,037
Guaranteed investment certificates	**10,750**	5,750
Deposits	**243**	239
	415,406	574,026

(Expressed in Canadian dollars)

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 8) as estimated utilizing a standardized reclamation cost estimating system for the State of Nevada. During the year ended October 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.

	October 31, 2018	October 31, 2017
	$	$
Opening balance	**159,860**	-
Addition	**-**	155,507
Refund	**(76,198)**	-
Impact of foreign exchange	**(1,995)**	4,353
	81,667	159,860

6. Exploration and Evaluation Assets

In March 2017, the Company's wholly owned subsidiary, 0862130 Corp. entered into an agreement to acquire, from Midway Gold US Corp., certain assets and assume certain liabilities related to the Tonopah Project in Nevada, USA out of chapter 11 bankruptcy proceedings. Under the asset purchase agreement, 0862130 Corp paid US$25,000 and assumed liabilities related to the assets being acquired.

Following the acquisition, the Company entered into a royalty deed modification and waiver of claims agreement with underlying royalty holders on the Tonopah Project to settle the advanced royalty payment assumed in the acquisition and replace a sliding scale Net Smelter Royalty ("NSR") into a flat 2% NSR structure. In exchange for this, the Company paid US$50,000 in cash, and issued 1,500,000 shares of its common stock with a grant date fair value of $495,000.

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

	October 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 (Note 8)	**-**	155,507
Impact of foreign exchange	**14,199**	(15,872)
	749,409	735,210

(Expressed in Canadian dollars)

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

For the year ended October 31,	2018	2017
	$	$
Claim Fees	**95,448**	102,216
Bond Premium	**4,837**	-
Consulting	**89,264**	9,714
Drilling	**421,993**	-
Environmental	**15,843**	-
Permits	**659**	325
Salaries (Note 7)	**94,521**	-
Samples	**83,135**	-
Supplies/General	**17,685**	5,759
Technical Reports	**91,304**	69,484
Travel	**32,947**	-
	947,636	187,498

7. 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 provided 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 year ended October 31, 2018, the resultant compensation expense of $125,000 was recognized in the Company's statement of loss as share based payments. All other tranches vested during the year ended October 31, 2017 and the related compensation expense of $375,000 was then recognized in the Company's statement of loss as share based payments. The fair value of the shares was determined as $0.25 per share based on the private placement that also closed on November 7, 2017 (Note 9). During the year ended October 31, 2018, the Company issued the 2,000,000 compensation shares, of which, 1,500,000 are 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 year ended October 31, 2018, the Company incurred $189,042 in management fees/salaries. The

(Expressed in Canadian dollars)

Compensation of Mr. Hesketh is equally divided between management fees in the statement of loss and as salaries within exploration expenditures. As at October 31, 2018, $116,944 (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 bookkeeping, treasury, and financial reporting services to the Company. During the year ended October 31, 2018, the Company incurred accounting fees of $61,730 (2017 - $Nil) to Avisar. As at October 31, 2018, $23,740 (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 year ended October 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 was payable prior to December 31, 2018. Subsequent to the year end, the maturity was 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 year ended October 31, 2018, the Company recognized interest expense of $16,667. As at October 31, 2018, total loan payable amounted to $266,667.

d) During the year ended October 31, 2018, share based payments related to the incentive stock options (Note 9) granted to related parties amounted to $260,935.

e) $104,700 owing to Obelisk International Ltd. ("Obelisk") and ATP Corporate Services ("ATP") for administrative services was forgiven during the year ended October 31, 2017 and included in gain on settlement of debt. Obelisk and ATP are related parties as the entities were controlled by common directors.

8. Asset Retirement Obligation

As part of its acquisition of the Tonopah Project, the Company assumed a reclamation permit, which allows for a disturbance footprint of up to 75 acres of which approximately eight acres was disturbed by past exploration drilling operations and past hydraulic test work on the site. During the year ended October 31, 2017, the Company deposited US$123,990 ($155,507) with the Bureau of Land Management in the State of Nevada for related reclamation bonds (Note 5), which is estimated by the amount of site disturbance and industry standard costs for reclamation. The fair value of the obligation approximates the carrying amount due to the short time period before reclamation work is scheduled.

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

	October 31, 2018	**October 31, 2017**
	$	**$**
Opening balance	**159,860**	-
Addition	**-**	155,507
Impact of foreign exchange	**3,088**	4,353
	162,948	159,860

(Expressed in Canadian dollars)

9. Share Capital

Common Shares

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

On April 12, 2017, the Company issued 1,500,000 shares with an estimated fair value of $495,000 in relation to the Royalty Deed Modification and Waiver of Claims Agreement in conjunction with the Tonopah Project Transaction (Note 6), as approved by the TSX-V.

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 year ended October 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. Directors and officers of the Company acquired 300,000 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.

On October 26, 2018, the Company closed the first tranche of its non-brokered private placement of 1,034,550 units for total proceeds of $382,784. Each subscriber received a unit at a price of $0.37 consisting of one common share and one share purchase warrant exercisable at $0.47 per share until October 26, 2020. A director of the Company acquired 15,000 units in the private placement for gross proceeds of $5,550. During the year ended October 31, 2018, the Company also received an additional $19,980 from an officer in connection with the second tranche of the private placement, completed on November 12, 2018 (Note 13).

In conjunction with the private placement, the Company paid cash commissions of $28,992, and also issued 10,560 common shares to finders for total value of $3,907.

Escrow Shares

As of October 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 year ended October 31, 2018, total share based payments expense related to these stock options amounted to $304,423.

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

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

(Expressed in Canadian dollars)

Warrants

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

	October 31, 2018 # of Warrants	Weighted average exercise price $
Outstanding, beginning of the year	-	-
Granted	**5,251,350**	**0.37**
Exercised	**(1,320,000)**	**0.35**
Outstanding, end of the year	**3,931,350**	**0.38**

Details of share purchase warrants outstanding at October 31, 2018:

Number of Warrants		Exercise Price	Expiry Date	Remaining Life (Years)
2,896,800	$	0.35	November 7, 2019	1.02
1,034,550	$	0.47	October 26, 2020	1.99
3,931,350	$	0.38		1.62

10. Income Taxes

The following table reconciles the amount of income tax recoverable on application of the combined statutory and Canadian federal and provincial income tax rates:

For the year ended October 31,	**2018** **$**	**2017** **$**
Net Loss for the year	**(1,810,260)**	(612,501)
Expected income tax (recovery)	**(488,770)**	(159,250)
Change in statutory, foreign tax, foreign exchange rates and other	**(106,126)**	224,341
Permanent Difference	**116,266**	97,758
Financing costs	**(22,000)**	-
Change in unrecognized deductible temporary differences	**500,630**	(162,849)
Total income tax expense	**-**	**-**

(Expressed in Canadian dollars)

Significant components of the Company's deferred income tax assets and liabilities are as follows:

	October 31, 2018 $	October 31, 2017 $
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	**169,141**	(33,408)
Financing costs	**17,000**	-
Asset retirement obligation	**34,219**	33,571
Non-capital losses available for future period	**363,054**	82,621
	583,414	82,784
Unrecognized deferred tax assets	**(583,414)**	(82,784)
Net deferred tax assets	**-**	-

Significant components of the Company's deductible temporary differences are as follows:

	October 31, 2018 $	Expiry Date Range
Temporary Differences		
Exploration and evaluation assets	**805,434**	No expiry
Financing costs	**64,413**	2019 - 2022
Asset retirement obligation	**162,948**	No expiry
Non-capital losses available for future period	**1,373,207**	2033 - 2038
	2,406,002	

Non-capital losses carry-forwards available against future taxable income in Canada amount to $1,244,676 and in the United States, amount to $128,531.

11. Capital Risk Management

The Company manages its common shares and other equity 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.

12. Financial Instruments and Risk Management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counter party limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is defined as the risk of loss associated with counterparty's inability to fulfill its payment obligations. The maximum exposure to credit risk is the carrying amount of the Company's financial instruments.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle its obligations as they come due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds available to meet its short-term business requirements by taking into account the anticipated cash expenditures for its exploration and other operating activities, and its holding of cash and cash equivalents. The Company will pursue further equity or debt financing as required to meet its commitments. There is no assurance that such financing will be available or that it will be available on favourable terms.

As at October 31, 2018, the Company's financial liabilities consist of its accounts payable and accrued liabilities and loan payable, which are all current obligations.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's cash balances held with US banks and US dollar denominated payables.

As at October 31, 2018, with other variables unchanged, a +/- 10% change in US dollars exchange rate would decrease/increase the comprehensive loss by $797 (2017 - $1,500). The Company does not hedge its risk from changes in foreign currency exchange rates.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	October 31, 2018 $	October 31, 2017 $
Financial asset at amortized cost		
Cash and cash equivalents	**415,406**	574,026
	415,406	574,026

Financial liabilities included in the statement of financial position are as follows:

(Expressed in Canadian dollars)

	October 31, 2018 $	October 31, 2017 $
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	**217,389**	597,186
Loan payable	**266,667**	-
	484,056	597,186

Fair value

The fair value of the Company’s financial assets and liabilities approximates their carrying amount.

13. Subsequent Events

1. On November 12, 2018, the Company closed the second tranche of its 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 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 (Note 9). In conjunction with the private placement, the Company paid cash commissions of $22,940, and also issued 12,000 units to the finders on the same terms as the other subscribers.

2. 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.