VIVA GOLD CORP. (FORMERLY AINTREE RESOURCES INC.)
CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2017

(Expressed in Canadian dollars)

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Viva Gold Corp. (formerly Aintree Resources, Inc.)

We have audited the accompanying consolidated financial statements of Viva Gold Corp. (formerly Aintree Resources, Inc.), which comprise the consolidated statements of financial position as at October 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity (deficiency), 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 consolidated 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. (formerly Aintree Resources, Inc.), as at October 31, 2017 and 2016, 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 certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Viva Gold Corp. (formerly Aintree Resources, Inc.)'s ability to continue as a going concern.

(signed) DMCL LLP

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, Canada
February 21, 2018

An independent firm associated with Moore Stephens International Limited
MOORE STEPHENS

Viva Gold Corp. (Formerly Aintree Resources Inc.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	**October 31, 2017**	October 31, 2016
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	4	**574,026**	7,502
		574,026	7,502
Advance	5	**-**	60,000
Cash - restricted	9	**159,860**	-
Exploration and evaluation assets	6	**735,210**	-
TOTAL ASSETS		**1,469,096**	67,502
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	**126,391**	155,036
Related party payable	8	**470,795**	-
		597,186	155,036
Asset retirement obligation	9	**159,860**	-
TOTAL LIABILITIES		**757,046**	155,036
SHAREHOLDERS' EQUITY (DEFICIENCY)			
Common shares	10	**1,218,507**	723,507
Shares subscribed	10	**546,750**	-
Cumulative translation adjustment		**(4,665)**	-
Contributed surplus		**375,000**	-
Deficit		**(1,423,542)**	(811,041)
TOTAL SHAREHOLDERS' EQUITY (DEFICIENCY)		**712,050**	(87,534)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		**1,469,096**	67,502

Nature of Operations and Going Concern (Note 1)
Subsequent Events (Notes 8, and 14)

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. (Formerly Aintree Resources Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	For the year ended October 31, 2017	2016
		$	$
EXPENSES			
Accounting and audit		**25,576**	19,203
Administration		**-**	31,260
Conference fees		**-**	953
Exploration cost	6	**187,498**	-
Interest and bank charges		**835**	16,612
Meals and entertainment		**1,980**	7,679
Office, rent, and telephone		**19,255**	72,332
Professional fees		**67,399**	-
Property investigation costs		**-**	20,000
Share based payments	8	**375,000**	-
Transfer agent and filing fees		**33,936**	25,493
Travel expenses		**9,235**	30,588
Utilities		**223**	2,810
		(720,937)	(226,930)
Gain on settlement of debt	8	**108,396**	-
Interest Income		**40**	-
NET LOSS		**(612,501)**	(226,930)
OTHER COMPREHENSIVE LOSS: Items that may be reclassified to profit or loss			
Exchange losses arising on translation of foreign operations		**(4,665)**	-
COMPREHENSIVE LOSS		**(617,166)**	(226,930)
BASIC AND DILUTED LOSS PER SHARE		**(0.06)**	(0.10)
Weighted average number of shares outstanding		**9,662,386**	2,288,414

Viva Gold Corp. (Formerly Aintree Resources Inc.)

Consolidated Statements of Changes in Shareholders' Equity (Deficiency)

(Expressed in Canadian Dollars)

	Number of shares	Share capital $	Shares Subscribed $	Cumulative Translation Adjustment $	Contributed Surplus $	Deficit $	Total Equity $
Balance as at October 31, 2015	754,167	323,507	-	-	-	(584,111)	(260,604)
Private Placement	8,000,000	400,000	-	-	-	-	400,000
Net loss	-	-	-	-	-	(226,930)	(226,930)
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 payment	-	-	-	-	375,000	-	375,000
Exchange losses 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

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

Viva Gold Corp. (Formerly Aintree Resources Inc.)
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	For the year ended October 31,	
	2017	2016
	$	**$**
OPERATING ACTIVITIES		
Net loss	**(612,501)**	(226,930)
Gain on settlement of debt	**(108,396)**	-
Share based compensation	**375,000**	-
Changes in working capital		
GST recoverable	**-**	3,630
Advance	**60,000**	(60,000)
Trade payables and accrued liabilities	**79,751**	(115,033)
Cash flow used in operating activities	**(206,146)**	(398,333)
FINANCING ACTIVITY		
Proceeds from private placement	**-**	400,000
Share subscriptions received in advance	**546,750**	-
Related party advances	**470,795**	-
Cash flow from financing activities	**1,017,545**	400,000
INVESTING ACTIVITY		
Exploration and evaluation assets	**(100,574)**	-
Land reclamation bond	**(155,507)**	-
Cash flow used in investing activities	**(256,081)**	-
INCREASE (DECREASE) IN CASH FLOW	**555,318**	1,667
Impact of foreign exchange	**11,206**	**-**
CASH AND CASH EQUIVALENTS - Opening	**7,502**	5,836
CASH AND CASH EQUIVALENTS - Ending	**574,026**	7,502
Non-cash transactions:		
Issuance of shares 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. (formerly, Aintree Resources Inc.) ("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 600, 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 3P6.

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 with a stock symbol of AIN.

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. As at October 31, 2017, the Company had a working capital deficiency of $183,020 and has an accumulated deficit of $1,423,542. Management of the Company does not expect that cash flows from the Company's operations 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 21, 2018.

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

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

(i) Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recognized at the amount expected to be received, less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.

(ii) Financial liabilities at amortized cost: Financial instruments held by the Company and classified in this category include accounts payables and accrued liabilities. Accounts payables and accrued liabilities are initially recognized at the amount required to be paid, less, when material, a discount to reduce the payables to fair value. Subsequently, accounts payables and accrued liabilities are measured at amortized cost using the effective interest method.

The effective interest rate method calculates the amortized cost of a financial instrument and allocates interest income or loss over the corresponding period. The effective interest rate is the rate that discounts estimated future cash receipts and payments over the expected life of the financial instrument.

Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

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 activities are expensed as incurred and expenditures relating to 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 any of its projects.

Exploration and evaluation assets (continued)

The carrying values of the mineral rights are assessed for impairment by management on a quarterly basis and as required whenever indicators of impairment exist. An impairment loss is recognized if it is determined that the carrying value is not recoverable and exceeds fair value.

Impairment

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 and then translated to the US dollar in accordance with IAS 21. 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 the statements of loss and comprehensive 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 changes are recognized in cumulative translation adjustments within equity as currency translation differences.

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 for 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

<u>Current income taxes</u>

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 substantially 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 period. 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.

Significant accounting judgements and estimates

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Recoverability of Exploration and Evaluation Assets

The Company has not yet determined whether the Tonopah Project contains mineral reserves that are economically recoverable. The recoverability of the amounts shown for exploration and evaluation assets are dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain necessary financing to complete the development of those mineral reserves and upon future production or proceeds from the disposition thereof.

(Expressed in Canadian dollars)

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, 2017 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 9 Financial Instruments

IFRS 9 Financial Instruments addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaced the guidance in IAS 39 that related to the classification and measurement of financial instruments. IFRS 9 establishes three primary measurement categories for financial assets: amortized costs, fair value through OCI and FVTPL. The basis of classification depends on entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at FVTPL with the irrevocable option at inception to present changes in fair value in OCI. There is a new expected credit losses model that replaced the incurred loss impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated as FVTPL.

The Standard is effective for annual accounting periods beginning on or after January 1, 2018. The Company expects that the adoption of IFRS 9 would have minimum impact on its financial statements due to its routine financial instruments but will continue to evaluate the impact prior to the adoption of the standard on November 1, 2018.

4. Cash and Cash Equivalents

	October 31, 2017	October 31, 2016
	$	$
Cash at bank	**568,037**	1,752
Guaranteed investment certificates	**5,750**	5,750
Deposits	**239**	-
	574,026	7,502

5. Advance

During the year ended October 31, 2016, the Company paid $60,000 for future property investigation work. This amount was returned to the Company during the year ended October 31, 2017.

(Expressed in Canadian dollars)

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. The purchase price allocation is outlined below:

	October 31, 2017
	$
Acquisition cost - cash (US$25,000)	33,525
Advanced royalty payment assumed	562,181
Asset retirement obligation assumed (Note 9)	169,723
Total purchase price	765,429
Exploration and evaluation asset acquisition cost	765,429
Total assets acquired	765,429

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 for total consideration of $562,181.

A continuity of the balance is as follows:

	October 31, 2017
	$
Opening balance	-
Acquisition cost	765,429
Impact of foreign exchange	(30,219)
	735,210

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

	For the year ended	
	October 31, 2017	October 31, 2016
	$	$
Claim fees	102,216	-
Permit filing fees	325	-
Consultants	9,714	-
Technical reports	69,484	-
Other	5,759	-
	187,498	-

(Expressed in Canadian dollars)

7. Accounts Payable and Accrued Liabilities

	October 31, 2017	October 31, 2016
	$	$
Trade payable	**68,507**	12,660
Accrued liabilities	**57,185**	6,000
Interest bearing payables (Note 8)	**-**	104,700
Accrued interest	**-**	28,653
Due to related parties	**699**	3,023
	126,391	155,036

8. Related Party Transactions

The amounts due to related parties are non-interest bearing, unsecured, and have no fixed terms of repayment, unless otherwise disclosed. The Company entered into the following transactions with related parties:

a) As at October 31, 2017, $699 (October 31, 2016 - $1,323), included in accounts payable and accrued liabilities, was balance due to a company controlled by a person related to a director and officer for expenses paid by the related company on behalf of the Company. The balance bears interest at 12% per annum, is unsecured, and has no specified terms of repayment. As at October 31, 2017, $nil (October 31, 2016 - $3,430) in interest has been accrued on the amount due.

b) As at October 31, 2017, $nil (October 31, 2016 - $700), included in accounts payable and accrued liabilities, was balance due to a former director and officer of the Company for office expenses incurred on behalf of the Company.

c) As at October 31, 2017, $nil (October 31, 2016 - $1,000), included in accounts payable and accrued liabilities, was a balance due to a director of the Company.

d) 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.

   Subsequent to the year ended October 31, 2017, the Company repaid $220,795 of these advances.

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

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 are controlled by common directors.

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. Subject to TSX-V's acceptance of the Company's Qualifying Transaction, the agreement provides for services by Mr. Hesketh as the president and

(Expressed in Canadian dollars)

8. Related Party Transactions (continued)

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.

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. Compensation expense of $375,000 was recognized in connection with the first, second and fourth tranche relating to the services that were provided by Mr. Hesketh during the year ended October 31, 2017. The fair value of these 1,500,000 shares was determined using $0.25 per share based on the private placement that also closed on November 7, 2017 (Note 14). On approval of the Qualifying Transaction the Company issued the 2,000,000 compensation shares which are held in escrow.

9. 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. The acquisition date fair value of the asset retirement obligation was $169,723. 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, 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, 2017	October 31, 2016
	$	$
Opening balance	-	-
Addition	169,723	-
Impact of foreign exchange	(9,863)	-
	159,860	-

The Company has cash on deposit with the Bureau of Land Management in the State of Nevada as a bond to insure the completion of future Asset Retirement Obligations as estimated utilizing a standardized reclamation cost estimating system for the State of Nevada. These cash deposits are not releasable until such time that sufficient reclamation has been completed.

10. Common Shares

a) Authorized Share Capital

Unlimited number of common shares without par value.

b) Number of Issued and Outstanding Common Shares

On July 6, 2016, the Company completed a non-brokered private placement consisting of a total of 8,000,000 shares at a price of $0.05 for gross proceeds of $400,000.

On April 12, 2017, the Company issued 1,500,000 shares to relation to the Royalty Deed Modification an Waiver of Claims Agreement in conjunction with the Tonopah Project Transaction (Note 6), as approved by the TSX-V. The shares carried a market value of $0.33 per share at the time of issuance.

As at October 31, 2017, the Company had received advance subscriptions of $546,750, under a private placement announced on June 5, 2017. Each subscriber will receive 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. Subsequent to year end, on November 7, 2017, a further $504,250 was received and 4,204,000 units were issued. Insiders of the Company acquired 304,000 units in the private placement for gross proceeds of $76,000.

In conjunction with the private placement, the Company paid cash of $9,820 and issued 12,800 units to the finders on the same terms as the other subscribers.

c) Escrow Shares

As of October 31, 2017, there are 191,667 common shares of the Company held in escrow.

d) Stock Options

The Company has a stock option plan which permits the Board of Directors of the Company to grant options to Directors, employees, and non-employees to acquire common shares of the Company at the fair market value on the date of approval by the Board of Directors. A portion of the stock options vests immediately on the grant date and the balance vests over a period of up to five years from grant date.

The stock options have a life of up to five years from grant date. The fair market value of the exercise price is the weighted average price of the common shares for the five days on which they were traded immediately preceding the date of approval by the Board of Directors. The Board of Directors makes recommendations as to the recipients of, and nature and size of, share compensation awards in compliance with applicable securities law, stock exchange, and other regulatory requirements. The Company is authorized to issue options to a maximum of 10% of the issued and outstanding common shares pursuant to the stock option plan.

As at October 31, 2017 and October 31, 2016 there were no options outstanding.

(Expressed in Canadian dollars)

11. 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, 2017	October 31, 2016
	$	$
Loss for the year	**(612,501)**	(226,930)
Expected income tax recovery	**(159,250)**	(59,002)
Change in statutory, foreign tax, foreign exchange rates and other	**224,341**	-
Permanent Difference	**97,758**	-
Change in unrecognized deductible temporary differences	**(162,849)**	59,002
Total income tax expense	-	-

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

	October 31, 2017	October 31, 2016
	$	$
Deferred Tax Assets (liabilities)		
Exploration and evaluation assets	**(33,408)**	-
Asset retirement obligation	**33,571**	-
Non-capital losses available for future period	**82,621**	245,633
	82,784	245,633
Unrecognized deferred tax assets	**(82,784)**	(245,633)
Net deferred tax assets	-	-

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

	October 31, 2017	Expiry Date
	$	Range
Temporary Differences		
Asset retirement obligation	**159,860**	No expiry
Non-capital losses available for future period	**320,490**	2030-2037
	480,350	

Non-capital losses carry-forwards available against future taxable income in Canada amount to $306,000 and in the United States, amount to $14,000.

12. 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.

13. 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, 2017, the Company's financial liabilities consist of its accounts payable and accrued liabilities (Note 7), 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, 2017, with other variables unchanged, a +/- 10% change in US dollars exchange rate would decrease/increase the comprehensive loss by $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, 2017 $	October 31, 2016 $
Loans and Receivables		
Cash and cash equivalents	**574,026**	7,502
Restricted cash	**159,860**	-
	733,886	7,502

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

	October 31, 2017 $	October 31, 2016 $
Non-derivative financial liabilities		
Accounts payable and accrued liabilities	**126,391**	155,036
Related party payable	**470,795**	-
	597,186	155,036

Fair value

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

14. Subsequent Event

1. On November 7, 2017 the TSX-V accepted for filing the Company's Qualifying Transaction as described in the filing statements dated August 24, 2017. As a result, the Company is no longer considered a Capital Pool Company. Approval was granted for the acquisition of the Tonopah Project (Note 6), and the non-brokered private placement of 4,216,800 units at $0.25 per unit (Note 10).

2. 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.