

**VIVA GOLD CORP.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**October 31, 2019**

**INTRODUCTION**

This Management Discussion and Analysis (“MD&A”) is intended to supplement Viva Gold Corp.’s (“Viva” or the “Company”) consolidated financial statements for the period ended October 31, 2019. All financial information, unless otherwise indicated, has been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”) and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The following discussion of the Company’s financial condition and results of operations should be read in conjunction with its consolidated financial statements and the related notes for the period ended October 31, 2019.

All monetary amounts are in Canadian dollars unless otherwise specified. The effective date of this MD&A is February 19, 2020.

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

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

**FORWARD-LOOKING INFORMATION**

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

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## CURRENT CORPORATE HIGHLIGHTS

On December 24, 2019, the Company closed the first tranche of the non-brokered private placement. In connection with the closing of the Offering, the Company issued an aggregate of 2,007,480 units (the "Units") at a price of \$0.24 per Unit for gross proceeds of \$481,795. Each Unit consists of one common share in the capital of the Company (a "Share") and one whole transferable common share purchase warrant (a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of \$0.34 per Share until December 23, 2021.

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

On July 16, 2019, the Company announced an update on the Tonopah Gold Project. The updated resource estimate for the Tonopah project highlights a strong core of high-quality gold mineralization in the main deposit and the Company believes that the project has additional resource potential. The 2019 block model for the Tonopah project was extended over 1.0 kilometer along trend to incorporate historic drilling in the Midway Hills area. This extension developed new blocks of mineralized material containing approximately 25-30 thousand gold ounces, which is not currently included in the pit-constrained mineral resource estimate. (see Tonopah Project for further details)

On March 20, 2019, the Company announced that Mr. Edward J. Mahoney has joined the Board of Viva. Mr. Mahoney brings strong familiarity of the geology and mining business in Nevada from positions including three years as Chief Geologist at the large-scale Kinross Round Mountain Mine and eight years as Chief Geologist and Business Development Manager for Barrick North America. Additional experience includes positions as Chief Geologist at Barrick's Eskay Creek Mine in British Columbia, Manager of Project Development with Miramar Hope Bay, Manager of Geology for Sutton Resources and various geologic positions with the Giant Yellowknife/Pamour Group of companies. Mr. Mahoney holds a BSc in Geology from the University of Calgary, is a registered Professional Geoscientist in British Columbia, and a Registered Member of the SME.

## TONOPAH PROJECT

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

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

Mineralization has been identified over a northwest-southeast trending zone of several kilometers in length associated with an extensional/compressional break in the regional Rye Patch fault system and along the limbs of the Rye Patch Fault itself. Alteration and mineralization at the Tonopah Project are typical of low-sulfidation, volcanic-hosted epithermal gold deposits found elsewhere in Nevada and around the world. The deposit type is characterized by overall low original sulfide content, and quartz-adularia and clay-sericite alteration assemblages, among others. Higher grade gold mineralization appears to project along some of the veins/related structures in the

tertiary volcanoclastics and ash fall tuffs (Tombstone Formation). Visible gold is commonly observed in and along the edges of veins, is frequently associated with hematite, and occurs locally in coarse form. Dendritic gold has been observed in core. Gold contained in the overall system is predominantly micron-sized in nature and is not visible to the naked eye.

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

### **CURRENT HIGHLIGHTS – TONAPAH PROJECT**

The Company has recently initiated a Preliminary Economic Assessment (“PEA”) of its Tonopah project. This decision is based on increasing gold price, receipt of positive metallurgical gold recovery column test-work and the high percentage of measured and indicated resource developed in its 2019 resource estimate.

Sixty day column leach tests for gold recovery been completed using bulk samples, segregated by major rock type, created by compositing drill-hole samples collected from the Company's 2018 drilling programs. Samples were sized to 80% minus 10 mesh and agglomerated using cement. Samples taken from the Palmetto argillite formation, which contains approximately half of the total gold resource at Tonopah, leached quickly and resulted in a gold recovery of 83% in the 60 day period, which is likely to provide a significant economic driver to the project. Recovery rates in the overlying Tertiary volcanics, a complex assemblage of locally silicified rhyolite tuffs, greywacke, air-fall tuffs and siltstone, show slower recovery rates, but with additional time under leach are expected to approximate the 60% to 70% recovery range. Incremental gold recovery was still occurring in all of the columns when the tests were terminated.

In November 2019, the Company completed a total of 10 reverse circulation drill holes totalling approximately 1,520 meters. Drill-hole locations for this step-out exploration program were designed to test undrilled areas along the northwest trending flank of Palmetto Argillite formation at the Tertiary volcanic contact over a distance of about two kilometers around between the Midway Hills and the known Tonopah project mineral resource area. Geophysical survey data combined with historic drilling was utilized to predict the locations of structural junctions and splays for drill-hole targeting. The Midway Hills area was last drilled in the 1990's. All of the drill-holes in this program penetrated the Palmetto argillite/Tertiary volcanic contact zone and encountered extensive hydrothermal alteration, silicification, quartz veining and low-grade gold mineralization. This program was geologically encouraging in that it confirmed the presence of gold bearing mineralization over a large area, demonstrating the significant size potential of the project. Additional work will be required to determine the presence of potentially economic gold resources along this trend.

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

On May 21, 2019, the Company announced the results of its “NI43-101 Technical Report on Mineral Resources”, which resulted in a 36% increase in contained gold mineral resource for the project. This mineral resource included information from 26 new drill holes completed by Viva’s in 2018 and 2019 drilling programs. The Mineral Resource estimate for the Tonopah Gold Project is as follows:

### In-Pit Constrained Mineral Resource

Classification	Tonnes (x1000)	Gold Grade grams/tonnes	Contained Ounces
Measured	2,500	1.32	112,000
Indicated	6,300	0.62	141,000
Measured and Indicated	8,800	0.93	253,000
Inferred	6,000	0.54	123,000

Thomas C Matthews, MMSA-QP, Principal Resource Geologist for Gustavson Associates, is the Qualified Person responsible for this Mineral Resource Estimate for the Tonopah Gold Project. Resources are not Reserves and do not have demonstrated economic viability.

Resources are reported at a cutoff grade of 0.25 grams of gold per tonne (“g/t”), which constitutes a reasonable prospect for economic extraction based on a comparison with similar gold deposits in Nevada, and within a US\$1,250 pit shell using a 42 degree average pit slope. This resource estimate was prepared by Gustavson Associates of Lakewood Colorado and has an effective date of May 21, 2019.

The 2019 resource estimate for the Tonopah Gold Project uses Leapfrog Mining software for domain analysis and construction, and Datamine Studio RM for block grade estimation. The resource is estimated using ordinary Kriging, with an indicator model used to segregate geostatistics and estimation parameters for higher grade mineralization controlled by conjugate shear zones from the main body of mineralization. Resources are classified as Measured, Indicated, and Inferred based on distance from data, with Measured mineralization requiring at least two drill holes within 50% of variogram range, indicated requiring 2 drill holes within 100% of the variogram range, and inferred requiring 2 drill holes within 200% of the variogram range.

### Sensitivity to Cutoff Grade

Classification	Cutoff Grade	Tonnes (x1000)	Au Grade grams/tonnes	Contained Ounces
Measured	0.15	2,700	1.19	114,000
	0.25	2,500	1.32	112,000
	1.0	1,400	2.13	92,000
Indicated	0.15	7,000	0.55	145,000
	0.25	6,300	0.62	141,000
	1.0	1,000	1.62	51,000
Inferred	0.15	6,500	0.47	127,000
	0.25	6,000	0.54	123,000
	1.0	700	1.28	30,000

This table shows limited sensitivity to cutoff grade in the low grade ranges. The 1.0 g/t cutoff grade range outlines the high-grade core of the mineralization. Two distinct populations of high and low grade gold mineralization exist at the Tonopah Gold Project, which are seen in this analysis.

This resource estimate is based on initial recovery and process cost assumptions. The high grade population of gold mineralization occurs partially as free-gold, which has been demonstrated to be recoverable through gravity methods.

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

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

The winter 2018-2019 drill program was very successful. The program produced positive results in virtually every drill-hole. Completed drill holes spread over a distance of more than 1.0 kilometer along the extent of the northwest to southeast trend of the system. These results confirm the model of blanket like mineralization associated with the argillite-volcanic contact zone and favorable rock types in the volcanics, and high-grade mineralization associated with high-angle structural controls in the volcanics and feeder systems at depth in the argillite. Some drill-holes demonstrate both types of mineralization, while other drill-holes reflect only the blanket type mineralization. The program also demonstrated the relatively shallow nature of the mineralization and the excellent potential for additional resource expansion. Notable drill results from the 11-hole winter reverse circulation ("RC") drill program completed in February 2019 follows:

### Tonopah Project Drill Results for 2018-2019 RC Drill Programs

Hole	Azimuth	Dip	From	To	Length	Gold Grade
			<i>Meter</i>	<i>Meter</i>	<i>Meter</i>	<i>Gram/Tonne</i>
<b>TG1906</b>	<b>200</b>	<b>-90</b>	<b>0</b>	<b>134.0</b>		
			25.91	44.20	18.3	0.4
<b>TG1905</b>	<b>210</b>	<b>-69</b>	<b>0</b>	<b>146.3</b>		
			32.0	53.3	21.3	0.6
<b>TG1904</b>	<b>270</b>	<b>-60</b>	<b>0</b>	<b>134.0</b>		
			36.6	41.1	4.6	0.7
			126.5	131.1	4.6	2.4
	<i>including</i>		<i>128.0</i>	<i>129.5</i>	<i>1.5</i>	<i>6.7</i>

<b>TG1903</b>	<b>275</b>	<b>-75</b>	<b>0</b>	<b>140.2</b>		
			45.7	48.8	3.0	8.0
	<i>including</i>		47.2	48.8	1.5	15.4
			70.1	74.7	4.6	26.9
	<i>including</i>		70.1	71.6	1.5	50.3
			82.3	115.8	33.5	2.6
	<i>including</i>		82.3	83.8	1.5	14.1
	<i>including</i>		94.5	96.0	1.5	22.7
			118.9	128.0	9.1	0.6
			132.6	140.2	7.6	0.8
TG1902 to TG1820 Reported February 2019						
<b>TG1902</b>	<b>0</b>	<b>-70</b>	<b>0</b>	<b>146.3</b>		
			10.7	111.3	100.6	1.3
	<i>including</i>		41.15	47.24	6.10	3.3
	<i>including</i>		60.96	64.01	3.05	4.8
	<i>including</i>		83.82	91.44	7.62	4.1
<b>TG1901</b>	<b>50</b>	<b>-70</b>	<b>0</b>	<b>65.5</b>		
			38.1	53.3	15.2	0.4
<b>TG1820</b>	<b>200</b>	<b>-60</b>	<b>0</b>	<b>119</b>		
			35.1	41.1	6.1	0.3
TG 1816 to TG1819 Reported January 29,2019						
<b>TG 1819</b>	<b>200</b>	<b>-69</b>	<b>0</b>	<b>201</b>		
			53.3	57.9	4.6	0.4
			62.5	65.5	3.0	1.9
			89.9	100.6	10.7	0.6
<b>TG1818</b>	<b>100</b>	<b>-65</b>	<b>0</b>	<b>110</b>		
			21.3	33.5	12.2	0.9
			71.63	74.68	3.0	46.1
	<i>including</i>		73.15	74.68	1.5	84.9

<b>TG1817</b>	<b>58</b>	<b>-80</b>	<b>0</b>	<b>122</b>		
			112.8	118.9	6.1	1.0
			143.3	189.0	45.7	2.2
	<i>Including</i>		163.1	176.8	13.7	5.1
	<i>Including</i>		172.21	173.74	1.5	13.4
<b>TG1816</b>	<b>105</b>	<b>-60</b>	<b>0</b>	<b>164</b>		
			88.4	96.0	7.6	0.3
			108.2	112.8	4.6	6.1
	<i>Including</i>		108.2	109.7	1.5	16.4

0.25 g/t cutoff grade utilized in determining grade intercepts

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

## **RESULTS OF OPERATIONS**

### **For the year ended October 31, 2019 as compared to the year ended October 31, 2018**

For the year ended October 31, 2019 the Company incurred a loss of \$2,257,097 (2018 – loss of \$1,810,260). The Company's loss per share was \$0.10 (2018 – \$0.11). The increase of \$446,837 was primarily the result of higher exploration costs, increase of \$332,183 in the current year, and an increase of \$277,772 in shareholder information and promotion in the current year offset by a reduction in share based payments of \$180,759. Exploration costs increased primarily as a result of the Company conducting two drilling and sampling programs in 2019 as well as completing an updated mineral resource estimate.

The Company has focused its resources on exploration of the Tonopah Project. A summary of such exploration cost incurred during the twelve months ended October 31, 2019 and 2018 is as follows:

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
Claim Fees	104,425	95,448
Bond Premium	4,993	4,837
Consulting	104,421	89,264
Drilling	675,129	421,993
Environmental	12,216	15,843
Metallurgical Testwork	58,348	-
Permits	1,811	659
Salaries	71,966	94,521
Samples	123,515	83,135
Supplies/General	14,152	17,685
Technical Reports	70,572	91,304
Travel	38,271	32,947
	<u>1,279,819</u>	<u>947,636</u>

The Company also incurred \$248,664 (2018- \$429,423) in share-based payments expense relating to the incentive stock options vested during the year ended October 31, 2019. Included in the comparative period were expenses related to stock options and the recognition of shares issued to the CEO as part of his consulting services agreement, as further described below under related party transactions.

### **For the three months ended October 31, 2019 as compared to the three months ended October 31, 2018**

For the three months ended July 31, 2019 the Company incurred a loss of \$894,594 (2018 – \$294,903). The Company's loss per share was \$0.04 (2018 – loss of \$0.02). The Company had \$890,275 of operating expenses during the three months ended October 31, 2019 as compared to \$289,903 in the three months ended October 31, 2018. The increase is primarily related to an increase in exploration costs during the quarter of \$536,373. The largest exploration expense category for the three months ended October 31, 2019 was drilling expenses of \$354,920.

### **SUMMARY OF QUARTERLY RESULTS**

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

Period	Revenues	Income (loss) for the period \$	Basic and fully diluted income (loss) per share \$
4 <sup>th</sup> Quarter 2019	Nil	(894,594)	(0.04)
3 <sup>rd</sup> Quarter 2019	Nil	(268,638)	(0.01)
2 <sup>nd</sup> Quarter 2019	Nil	(370,904)	(0.02)
1 <sup>st</sup> Quarter 2019	Nil	(722,961)	(0.04)
4 <sup>th</sup> Quarter 2018	Nil	(294,903)	(0.02)
3 <sup>rd</sup> Quarter 2018	Nil	(526,738)	(0.03)
2 <sup>nd</sup> Quarter 2018	Nil	(464,781)	(0.03)
1 <sup>st</sup> Quarter 2018	Nil	(523,838)	(0.03)

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

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

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

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

In the 2<sup>nd</sup> and 1<sup>st</sup> quarters of 2018, the Company incurred \$202,781 and \$235,856 respectively of exploration costs on the Tonopah project. The majority of costs during the third quarter were for drilling expenses.



## **SELECTED ANNUAL INFORMATION**

The following table sets out selected annual financial information of the Company and is derived from the Company's audited consolidated financial statements for the years ended October 31, 2019, 2018 and 2017.

	2019	2018	2017
	\$	\$	\$
Revenues	-	-	-
Loss for the year	(2,257,097)	(1,810,260)	(612,501)
Loss per share (basic and diluted)	(0.10)	(0.11)	(0.06)
Total assets	929,587	1,275,067	1,469,096
Total non-current financial liabilities	-	-	-
Dividends declared	-	-	-

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

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company's principal source of liquidity as at October 31, 2019 was cash and cash equivalents totaling \$35,979 (October 31, 2018 – \$415,406).

During the year ended October 31, 2019, the Company's cash used in operating activities amounted to \$1,967,953.

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

On November 13, 2018 the Company closed the second and final tranche of its 2018 non-brokered Private Placement. In total, the Company issued 2,990,536 Units in the Offering for gross proceeds of CDN \$1,106,498. Each Unit consisted of one common share in the capital of the Company (a "Share") and one whole transferable common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each whole Warrant is exercisable to acquire one Share at an exercise price of CDN\$0.47 per Share. Warrants issued in the first tranche are exercisable until October 26, 2020 and those Warrants issued in the second tranche are exercisable until November 13, 2020, both of which are 24 months from the date of issuance. A total of \$690,507 of net proceeds were received in the first quarter of the 2019 fiscal year.

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. In addition, the Company issued 1,320,000 common shares for gross proceeds of \$462,000 related to the exercise of 1,320,000 warrants.

The Company received \$504,250 upon completion of the private placement in November 2017, a portion of which was received during the year ended October 31, 2017 (\$546,750), for total proceeds of \$1,051,000. The Company paid \$51,524 in cost for the private placement financing.

With the exception of interest earned on cash holdings, the Company does not generate any income and relies upon current cash resources and future financings to fund its ongoing business and exploration activities. The Company

requires further financing in its 2020 fiscal year to continue as a going concern. The Company will explore appropriate financing routes which may include: additional issuance of share capital; funding through project debt; convertible securities; or other financial instruments. The financial statements and this MD&A have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of business. Viva is an exploration stage company and as at October 31, 2019 had an accumulated deficit of \$5,490,899. 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 to continue to operate. There can be no assurance that additional funding will be available to the Company, or, if available, that this funding will be on acceptable terms. These conditions indicate the existence of material uncertainty that may give rise to significant doubt about Viva's ability to continue as a going concern.

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

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

### **RELATED PARTY TRANSACTIONS**

- a) The Company is party to a consulting service agreement, dated April 10, 2017, with Kalex LLC ("Kalex"), an entity owned by James Hesketh, the Company's director, president and CEO. During the year ended October 31, 2019, the Company incurred \$149,932 (2018 - \$189,042) in management fees/salaries. The Compensation of Mr. Hesketh is equally divided between management fees in the statement of loss and as salaries within exploration expenditures. As of January 1, 2019, monthly management fees/salaries payable under this agreement were reduced to US\$8,333 from US\$12,500. As at October 31, 2019, \$77,396 (October 31, 2018 - \$116,944), included in accounts payable and accrued liabilities, was the balance due to Kalex.
- b) Avisar Chartered Professional Accountants and Avisar Everyday Solutions Ltd. (together, "Avisar"), firms where the CFO is a founder and principal, provides bookkeeping, treasury, and financial reporting services to the Company. During the year ended October 31, 2019, the Company incurred accounting fees of \$68,400 (2018 - \$61,730) to Avisar. As at October 31, 2019, \$5,460 (October 31, 2018 - \$23,740), included in accounts payable and accrued liabilities, was the balance due to Avisar.

The Company is party to a loan agreement for a principal amount of \$250,000 with a Company affiliated with a director of the Company. The loan bears interest at 8% per annum and was payable on December 21, 2018. The agreement allowed for the maturity date of the loan to be extended for a further one year for a fee of 5% of the principal amount. The Company exercised the extension option and as a result, the loan was due on December 21, 2019. The loan continues to accrue interest on the original terms and remains outstanding as of the date of this MD&A. During the year ended October 31, 2019, the Company repaid \$105,000 of the principal and recognized interest expense, including the loan extension fee, of \$34,401 (2018 - \$16,667). As at October 31, 2019, the outstanding balance consists of the principal amount of \$145,000 and interest of \$51,068 (2018 - \$250,000 and \$16,667, respectively). On December 21, 2019, the lender and the Company agreed to extend the maturity date of the loan to December 31, 2020.

- c) During the year ended October 31, 2019, share based payments related to the incentive stock options granted to related parties amounted to \$225,981 (2018 - \$260,935).

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## **CAPITAL MANAGEMENT**

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

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

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

## **FINANCIAL INSTRUMENTS**

The Company's financial instruments as at October 31, 2019 consist of cash and cash equivalents, receivables, restricted cash, and its trade and loan payables. The fair value of these instruments approximates their carrying value. There were no off-balance sheet financial instruments.

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

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

## **OUTSTANDING SHARES**

As at the date of this MD&A, the Company has 26,235,045 common shares outstanding, of which 657,500 are held in escrow. The Company also has 2,075,000 incentive stock options outstanding, exercisable at a weighted average exercisable price of \$0.39 per share, and 8,405,518 share purchase warrants outstanding, exercisable at weighted average price of \$0.41 per share.

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

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer's Annual and Interim Filings) ("NI 52-109"), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the consolidated financial statements for the year ended October 31, 2019 and this accompanying MD&A (together, the "Filings").

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

## **Approval**

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