BUENA VISTA GOLD INC.

CONSOLIDATED FINANCIAL STATEMENTS
(Prepared in Canadian dollars)

For The Years Ended December 31, 2017 and 2016

UHY McGovern Hurley LLP
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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Buena Vista Gold Inc.

We have audited the accompanying consolidated financial statements of Buena Vista Gold Inc. and its subsidiary, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity, and consolidated statements of 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.

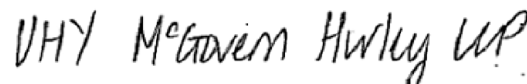
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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 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 Buena Vista Gold Inc. and its subsidiary as at December 31, 2017 and 2016, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

UHY McGovern Hurley LLP



Chartered Professional Accountants
Licensed Public Accountants

TORONTO, Canada
May 2, 2018

As at December 31	Notes	2017	2016
Assets			
Current Assets			
Cash and cash equivalents	4	$ 847,744	$ 119,773
Due from related party	6, 14	-	92,110
Other assets		30,922	18,339
Total current assets		878,666	230,222
Non-current assets			
Reclamation deposit		14,630	14,630
Furniture and equipment	5	638	851
Total assets		$ 893,934	$ 245,703
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	6, 12	$ 375,969	$ 298,187
Warrant liability	7	138,000	-
Total liabilities		513,969	298,187
Shareholders' equity (deficiency)			
Issued capital	7	6,062,122	4,334,472
Shares to be issued	7	-	188,000
Share-based payment reserve	7	279,509	334,106
Warrants	7	-	16,000
Deficit		(5,961,666)	(4,925,062)
Total shareholders' equity (deficiency)		379,965	(52,484)
Total liabilities and shareholders' equity (deficiency)		$ 893,934	$ 245,703

NATURE OF BUSINESS AND GOING CONCERN (Notes 1 and 2)
COMMITMENTS AND CONTINGENCIES (Notes 8 and 13)
SUBSEQUENT EVENTS (Note 14)

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

For the years ended December 31,	Note	2017	2016
Expenses			
Exploration and evaluation expenditures	8	$ 682,940	$ 159,277
Administrative and general		4,354	12,945
Advertising and promotion		21,099	15,991
Communication		1,573	4,279
Management and consulting fees		162,358	88,814
Occupancy		31,862	16,200
Professional fees		243,302	75,662
Share-based payment	7	58,713	334,106
Travel		6,202	8,913
Depreciation		213	405
Foreign exchange loss		35,632	9,017
Other expense	13	25,000	-
		1,273,247	725,609
Net loss and comprehensive loss for the year		$ (1,273,247)	$ (725,609)
Average weighted shares outstanding	7	15,646,687	12,994,478
Basic and diluted (loss) per share		$ (0.08)	$ (0.06)

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

BUENA VISTA GOLD INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

	Share Capital #	Share Capital $	Shares to be issued #	Shares to be issued $	Share based payment reserve $	Warrants $	Accumulated Deficit $	Total $
Balance, December 31, 2015	**11,641,921**	**3,930,420**	**676,794**	**210,500**	**-**	**157,000**	**(4,356,453)**	**(58,533)**
Shares and warrants issued for cash	1,740,805	404,052	(106,250)	(22,500)	-	16,000	-	397,552
Share-based payments	-	-	-	-	334,106	-	-	334,106
Expiry of warrants	-	-	-	-	-	(157,000)	157,000	-
Loss for the year	-	-	-	-	-	-	(725,609)	(725,609)
Balance, December 31, 2016	**13,382,726**	**4,334,472**	**570,544**	**188,000**	**334,106**	**16,000**	**(4,925,062)**	**(52,484)**
Shares and warrants issued for cash	4,336,875	1,286,136	-	-	-	-	-	1,286,136
Share issue costs	-	(253,505)	-	-	109,428	-	-	(144,077)
Shares issued for services	685,794	217,209	(570,544)	(188,000)	-	-	-	29,209
Shares issued for mineral property	626,091	159,716	-	-	-	-	-	159,716
Shares issued for debt settlement	1,062,500	280,173	-	-	-	-	-	280,173
Shares issued for claims settlement	75,000	15,000	-	-	-	-	-	15,000
Share-based payments	-	-	-	-	58,713	-	-	58,713
Shares issued for warrant exercised	65,080	20,826	-	-	-	-	-	20,826
Value of warrants exercised	-	2,095	-	-	-	(2,095)	-	-
Cancellation of stock options	-	-	-		(222,738)	-	222,738	-
Expiry of warrants	-	-	-	-	-	(13,905)	13,905	-
Loss for the year	-	-	-	-	-	-	(1,273,247)	(1,273,247)
Balance, December 31, 2017	**20,234,066**	**6,062,122**	**-**	**-**	**279,509**	**-**	**(5,961,666)**	**379,965**

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

BUENA VISTA GOLD INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2017 and 2016
(Expressed in Canadian Dollars)

For the year ended December 31,	2017	2016
Cash flows from operating activities		
Net (loss) for the year	$ (1,273,247)	$ (725,609)
Items not involving cash:		
Depreciation	213	405
Share based payments	58,713	334,106
Shares issued for property	159,716	-
Changes in non-cash working capital		
Due from related party	92,110	5,646
Other assets	(12,583)	(2,845)
Due to director	-	(31,009)
Accounts payable and accrued liabilities	259,523	139,032
Net cash flows from operating activities	(715,555)	(280,274)
Cash flows from financing activities		
Cash proceeds for common shares and warrants	1,461,136	397,552
Share issue costs	(38,436)	-
Warrants exercised	20,826	-
Net cash flows from financing activities	1,443,526	397,552
Change in cash and cash equivalents	727,971	117,278
Cash and cash equivalents, beginning of year	119,773	2,495
Cash and cash equivalents, end of year	$ 847,744	$ 119,773
Supplemental cash flow information		
Shares issued for services	$ 217,209	$ -
Shares issued for debt settlement	295,173	-
Compensation options issued	109,428	-

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

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Nature of Business

Buena Vista Gold Inc. (the "Company" or "BVG") was incorporated in Ontario, Canada on November 16, 2009 and carries on business in one segment, being the identification, acquisition and exploration of properties for mining of precious and base metals. The Company's principal asset is a mineral exploration property in Nevada, USA. The address of the Company's head office is 938 Yonge Street, Suite 202, Toronto, ON M4W 2J2.

The business of exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves and the achievement of the Company's ability to dispose of its interests on an advantageous basis. Although the Company has taken steps to verify title to the property on which it is conducting exploration and in which it has an interest in accordance with industry standards to the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to government licensing requirements or regulations, social licensing requirements, unregistered prior agreements, unregistered claims, aboriginal claims, and non-compliance with regulatory requirements.

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations that are effective for each reporting period presented. The policies set out below were consistently applied to all periods presented.

The consolidated financial statements were authorized for issue by the Board of Directors on May 2, 2018.

2. GOING CONCERN

These consolidated financial statements have been prepared in accordance with IFRS applicable to a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern, and therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business, and at amounts different from those presented in these consolidated financial statements.

As at December 31, 2017, the Company reported a net loss of $1,273,247 (December 31, 2016 - $725,609) and had accumulated deficit of 5,961,666 (December 31, 2016 - $4,925,062). At December 31, 2017, the Company had working capital surplus of $364,697 (December 31, 2016 – working capital deficiency of $67,965), which is sufficient to meet its committed exploration expenditures for its exploration and evaluation assets and, to meet its corporate administrative expenses for the next 12 months.

The Company has a need for equity capital and financing for working capital and exploration and development of its property (see Note 14). Because of continuing operating losses, the Company's continuance as a going concern is dependent on its ability to obtain adequate financing and to reach profitable levels of operation. It is not possible to predict whether financing efforts will be successful or if the Company will attain profitable levels of operation. While the Company has been successful in securing financing in the past, there is no assurance that it will be able to do so in the future.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting principles followed in preparing these consolidated financial statements are as follows:

Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The consolidated financial statements are presented in Canadian dollars unless otherwise indicated.

Principles of Consolidation

The consolidated financial statements include the accounts of its wholly owned subsidiary Getchell Gold Nevada Inc. (formerly Buena Vista Minerals Inc.) (incorporated in Nevada, USA). Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

Financial Instruments

Financial Assets

Financial assets are initially recorded at fair value and designated upon inception into one of the following categories: held to maturity, available for sale, loans and receivables or at fair value through profit or loss. Financial assets are recognized on the trade date at which the Company becomes party to the contractual provisions of the instrument.

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. Cash, due from director and due from related party are classified as loans and receivables. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses.

Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process. The Company has designated its cash and cash equivalents and due from related party as loans and receivables.

At each reporting date, the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are initially recorded at fair value and designated upon inception as other financial liabilities. Accounts payable and accrued liabilities are recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. Accounts payable and accrued liabilities and due to director are classified as other financial liabilities. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities are derecognized when the contractual obligations are discharged, cancelled or expire.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include cash and highly liquid high-interest savings accounts convertible to known amounts of cash and subject to an insignificant risk of change in value.

Exploration and Evaluation Expenditures

The Company expenses exploration and evaluation expenditures as incurred. Exploration and evaluation expenditures include acquisition costs of mineral exploration properties, property option payments and evaluation activity. Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as 'mines under construction' into property, plant and equipment. On the commencement of commercial production, depletion of each mining property will be provided on a unit-of-production basis using estimated resources as the depletion base.

Furniture and Equipment

On initial recognition, furniture and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Furniture and equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses. When parts of an item of furniture and equipment have different useful lives, they are accounted for as separate items (major components) of furniture and equipment.

The cost of replacing part of an item of furniture and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognized in profit or loss over the estimated useful lives as follows:

Computers	-	55% diminishing balance
Furniture and fixtures	-	25% diminishing balance

Depreciation methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Income tax on the profit or loss for the period presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to taxes payable with regards to previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. At the end of each reporting year, the Company reassesses unrecognized tax deferred assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Share Based Payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss/income over the remaining vesting period.

The fair value determined at the grant date of the equity-settled share-based payments is expensed over the vesting period based on the Company’s estimate of options that will eventually vest. The number of forfeitures likely to occur is estimated on grant date.

Where equity instruments are granted to employees, they are recorded at the fair value of the equity instrument granted at the grant date. The grant date fair value is recognized in comprehensive loss/income over the vesting period, described as the period during which all the vesting conditions are to be satisfied.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

All equity-settled share-based payments are reflected in share based payment reserve, unless exercised. Upon exercise, the shares are issued from treasury and the amount reflected in share based payment reserve is credited to share capital for any consideration paid. Upon expiration, the grant date fair value of the exercised equity instruments is reclassified to deficit.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign Currency Transactions and Translation

The presentation currency is the Canadian dollar. Buena Vista Gold Inc.'s functional currency is the Canadian dollar. The functional currency of the Company's subsidiary Getchell Gold Nevada Inc. is also the Canadian dollar.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the date of the statement of financial position while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Provisions

A provision is recognized in the consolidated statement of financial position when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to passage of time is recognized as interest expense.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. At each consolidated statement of financial position reporting date, provisions are reviewed and adjusted to reflect the current best estimate of the expenditure required to settle the present obligation.

The Company has no material provisions as at December 31, 2017 and 2016.

Rehabilitation Provisions

A legal or constructive obligation to incur rehabilitation provisions may arise when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from 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 amount of the asset as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either a unit-of-production or the straight-line method as appropriate. 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.

The Company had no material rehabilitation obligations as at December 31, 2017 and 2016.

Loss per Share

Basic loss per share is calculated by dividing net loss applicable to common shares of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments are converted during the year.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share Capital and Warrants

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Warrants are classified as equity if they will be settled only through the issuance of a fixed number of the Company's own equity instruments. Upon exercise, the shares are issued from treasury and the amount reflected in warrants is credited to share capital for the proceeds allocated when the warrant was first issued. Upon expiry, the grant date value of the warrants is reclassified to deficit.

Warrants exercisable in the Company's functional currency are reflected as equity instruments in the consolidated statements of financial position. Warrants exercisable in a currency other than the Company's functional currency are recorded to warrant liability on the consolidated statement of financial position and valued initially and at each period end using the Black-Scholes option pricing model. Any gains or losses are recognized in the statements of loss.

Critical Accounting Estimates and Judgments

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Judgments

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year are discussed below:

Going Concern
As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. The factors considered by management are disclosed in Note 2.

Title to Mineral Property Interests
Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Functional Currency
The determination of an entity's functional currency is a key judgment based on the primary economy environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment opportunities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive loss in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment
Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. An impairment loss is recognized for the amount by which an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates the higher of fair value less costs to sell and value in use. Determining the recoverable amount of an asset requires management to make assumptions about future events and circumstances and cash flows. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

Share-based payments
The estimation of share-based payments requires the selection of an appropriate valuation mode and assumptions including the volatility of the Company's share price and the expected life of stock options and warrants and the time. The Company uses the Black-Scholes model to value share-based payments.

Income, value added, withholding and other taxes
The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

Provisions and contingencies
Provisions and contingencies arising in the course of operations, including provisions for income or other tax matters are subject to estimation uncertainty. Management uses all information available in assessing the recognition, measurement and disclosure of matters that may give rise to provisions or contingencies. The actual outcome of various provisional and contingent matters may vary, and may cause significant adjustments to the Company's assets when the amounts are determined or additional information is acquired. See Note 13.

Recent Accounting Pronouncements

The IASB or the IFRIC have issued a number of new or revised standards or interpretations that will become effective for future periods and have a potential implication for the Company. The Company is currently assessing the impact of the revised standards and interpretations on its consolidated financial statements.

IFRS 2 Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IFRS 9 Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The Company does not anticipate a significant impact on the financial results from adopting this standard.

IFRS 15 Revenue from Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized.

IFRS 16 Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

IFRIC 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability.

IFRIC 23 Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates.

Accounting changes

During the year ended December 31, 2017, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards. These included IAS 7, IAS 12 and IAS 28. These new standards and changes did not have any material impact on the Company's financial statements.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at banks and on hand earn interest at floating interest rates based on daily deposit rates. As at December 31, 2017 and 2016, the Company did not hold any cash equivalents.

5. FURNITURE AND EQUIPMENT

	Computers	Furniture	Total
Cost			
Cost at December 31, 2015, 2016 and 2017	$ 2,963	$ 3,000	$ 5,963
Accumulated Depreciation			
Balance at December 31, 2015	$ (2,771)	$ (1,936)	$ (4,707)
Depreciation	(192)	(213)	(405)
Balance at December 31, 2016	$ (2,963)	$ (2,149)	$ (5,112)
Depreciation	-	(213)	(213)
Balance at December 31, 2017	$ (2,963)	$ (2,362)	$ (5,325)
Net book value December 31, 2016	$ -	$ 851	$ 851
Net book value December 31, 2017	$ -	$ 638	$ 638

6. RELATED PARTY TRANSACTIONS

a) The balances due from director, due to director and due from related party are non-interest bearing, unsecured with no specific terms of repayment.

b) In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and key management of the Company for the years ended December 31, 2017 and 2016 was as follows:

	2017	2016
Remuneration	$138,957	$100,000
Share-based payments	58,713	222,700
	$197,670	$322,700

As of December 31, 2017, $110,236 due to officers and directors has been included in accounts payable and accrued liabilities.

As of December 31, 2016, $84,000 due to an officer and a director has been included in accounts payable and accrued liabilities.

See notes 7 and 8.

7. SHARE CAPITAL, STOCK OPTIONS AND WARRANTS

a) Shares Authorized

The Company is authorized to issue an unlimited number of common shares with no par value and an unlimited number of Class A common shares with no par value.

The holders of common shares are entitled to receive dividends, which are declared from time to time, and are entitled to twenty votes per common share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

The holders of Class A common shares are entitled to receive dividends, which are declared from time to time, and are entitled to one vote per Class A common share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

On January 4, 2018, the Company completed a share consolidation on the basis of one (1) post-consolidation Class A common share for every four (4) pre-consolidation Class A common share. All Class A common shares, options, warrants and basic and diluted loss per share amounts have been restated to give retrospective effect to the share consolidation.

Pursuant to the minutes of settlement described in Note 13, the Company agreed to consolidate all of its shares into one class being Class A common shares with the rights and privileges affixed thereto. The consolidation of all its shares into one class of shares was completed on April 20, 2018. Accordingly, all references to issued shares in these consolidated financial statements will be referred to as “common shares”.

b) Transactions

(i) 2016

The Company issued 1,137,500 common shares for cash consideration of $306,752, of which a director of the Company subscribed for 25,000 shares for gross proceeds of $6,569.

The Company closed a private placement of 497,055 units at $0.20 per unit for gross proceeds of $99,411. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one additional common share for a period of 12 months at $0.32. A director of the Company subscribed for 162,500 units for gross proceeds of $32,500.

The grant date fair value attributed to the warrants was estimated to be $16,000 using the Black-Scholes option pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 100% based on the historical volatility of comparable entities, risk free interest of 0.46%, and an expected life of 1 year at a share price of $0.32.

The Company received proceeds of $22,500 during the year ended December 31, 2015, for the issuance of 106,250 shares, which were issued during the year ended December 31, 2016.

(ii) 2017

The Company issued 2,202,500 common shares for cash consideration of $588,910.

The Company closed a private placement of 2,134,375 units at US$0.32 per unit for gross proceeds of $872,225. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one additional common share for a period of 12 months at US$0.40.

The grant date fair value attributed to the warrants was estimated to be $175,000 using the Black-Scholes option pricing model. Significant assumptions used were as follows: dividend yield of 0%, expected volatility of 100% based on the historical volatility of comparable entities, risk free interest of 1.66%, and an expected life of 1 year at a share price of US$0.26. As a result of the exercise price of the warrants being denominated in a currency other than the functional currency, the warrants are considered to be a derivative financial liability.

7. SHARE CAPITAL, STOCK OPTIONS AND WARRANTS (CONTINUED)

On August 15, 2017, the Company purchased 89 claims in Nevada, USA from Dutch Flats Gold Inc., a company related through a common director and ownership, in exchange for 626,091 common shares valued at $159,716 and settlement of amounts due by Dutch Flats Gold Inc. to the Company totalling $90,071.

The Company issued 65,080 common shares on the exercise of warrants for cash consideration of $20,826.

The Company issued 685,794 common shares for services valued at $217,209.

The Company was obligated to issue 250,000 common shares as a finder's fee in connection with these private placements. These shares were issued as part of common shares for services during the year December 31, 2017 pursuant to the minutes of settlement referenced in Note 13.

In addition, the Company was obligated to issue 233,044 shares for cash consideration received of $51,500 during the year ended December 31, 2014. These shares were issued as part of common shares for services during the year December 31, 2017 pursuant to the minutes of settlement referenced in Note 13.

The Company issued 75,000 common shares pursuant to the minutes of settlement referenced to Note 13 for the payment of the costs of application.

The Company issued 1,062,500 common shares to settle amounts owing of $280,173. Of the 1,062,500 common shares, 425,000 common shares were issued to a former director of the Company to settle amounts owing of $110,500.

c) Stock Options

The Company has a stock option plan (the "Plan") for its directors, officers, consultants and key employees under which the Company may grant options to acquire a maximum number of 10% of the total issued and outstanding common shares of the Company. These options are non-transferrable and are valid for a maximum of 5 years from the date of issue. Vesting terms and conditions are determined by the Board of Directors at the time of the grant. The exercise price of the options is fixed by the Board of Directors of the Company at the time of the grant at the market price of the common shares, subject to all regulatory requirements. Expected volatility has been determined using the share price of the Company for the period equivalent to the life of the options prior to grant date.

A summary of the Company's stock option activity during the periods presented is as follows:

	Number of options outstanding and exercisable	Weighted average exercise price (CAD)	Weighted average exercise price (USD)
Outstanding, December 31, 2015	-	$ -	$ -
Granted	2,250,000	0.20	-
Outstanding, December 31, 2016	2,250,000	0.20	-
Cancelled	(1,500,000)	0.20	-
Granted	896,125	0.37	0.29
Outstanding, December 31, 2017	1,646,125	$0.39	$0.30

On November 10 2016, the Company granted 2,250,000 options to officers, directors, and consultants, exercisable at $0.20 for a five-year term. The options vested immediately. The following assumptions were used for the options: expected dividend yield of 0%, expected volatility of 140% based on the historical volatility of comparable entities, risk free rate of return of 0.92%, expected life of 5 years, and share price of $0.16, resulting in a charge of $334,106 for the year ended December 31, 2016. On July 10, 2017, the Company

7. SHARE CAPITAL, STOCK OPTIONS AND WARRANTS (CONTINUED)

cancelled 1,500,000 of these stock options. On December 22, 2017, the Company modified the exercise price of the stock options granted to US$0.32.

On July 24, 2017, the Company granted 228,000 finder's options exercisable at US$0.20 for a five-year term. The options vested immediately. The following assumptions were used for the options: expected dividend yield of 0%, expected volatility of 100% based on the historical volatility of comparable entities, risk free rate of return of 1.56%, expected life of 5 years, and share price of US$0.20, resulting in a charge of $42,691 as share issue costs for the year ended December 31, 2017. 112,750 of the compensation options were granted to a director of the Company.

On December 21, 2017, the Company granted 418,125 finder's options exercisable at US$0.32 for a one-year term. The options vested immediately. Each compensation option is a compensation unit exercisable at US$0.32 per option into one common share and one common share purchase warrant. Each warrant is exercisable into one common share at US$0.40. The following assumptions were used for the options: expected dividend yield of 0%, expected volatility of 100% based on the historical volatility of comparable entities, risk free rate of return of 1.66%, expected life of 1 year, and share price of US$0.32, resulting in a charge of $66,736 as share issue costs for the year ended December 31, 2017. 154,688 of the compensation options were granted to a director of the Company.

On December 22, 2017, the Company granted 250,000 options to directors of the Company exercisable at US$0.32 for a five-year term. The options vested immediately. The following assumptions were used for the options: expected dividend yield of 0%, expected volatility of 100% based on the historical volatility of comparable entities, risk free rate of return of 1.64%, expected life of 5 years, and share price of US$0.24, resulting in a charge of $58,713 as share-based payments for the year ended December 31, 2017.

The weighted average remaining life of the options as at December 31, 2017 was 3.39 years (December 31, 2016 – 4.86 years).

A summary of the Company's outstanding and exercisable stock options as of December 31, 2017 is presented below:

Expiry date	Options outstanding and exercisable	Exercise price (CAD)	Exercise price (USD)	Estimated grant date fair value
December 21, 2018[1]	418,125	$0.41	$0.32	$ 66,736
November 10, 2021	750,000	0.41	0.32	111,369
July 24, 2022	228,000	0.25	0.20	42,691
December 22, 2022	250,000	0.41	0.32	58,713
	1,646,125	$0.39	$0.30	$279,509

(1) Each option exercisable into units is comprised of one common share and one common share purchase warrants exercisable at US$0.40 until December 21, 2018.

7. SHARE CAPITAL, STOCK OPTIONS AND WARRANTS (CONTINUED)

d) Warrants

A summary of the Company's warrant activity during the years ended December 31, 2017 and 2016 are as follows:

	Number of warrants outstanding and exercisable	Weighted average exercise price (CAD)	Weighted average exercise price (USD)
Outstanding, December 31, 2015	1,533,221	$0.68	$ -
Granted	497,055	0.32	-
Expired	(1,533,221)	0.68	-
Outstanding, December 31, 2016	497,055	$0.32	$ -
Granted[(1)]	2,134,375	0.40	0.32
Exercised	(65,080)	0.32	-
Expired	(431,975)	0.32	-
Outstanding, December 31, 2017	**2,134,375**	**$0.40**	**$0.32**

(1) As a result of the exercise price of the warrants being denominated in a currency other than the functional currency, the warrants are considered a derivative financial liability. The warrants are classified as a liability and revalued at each period end with any gain or loss in the fair value being record in the consolidated statements of loss as an unrealized gain or loss on warrant liability.

On December 31, 2017, the fair value of the warrants, with an exercise price denominated in a currency other than the functional currency, was estimated using the Black-Scholes option pricing model with the following weighted average assumptions: expected dividend yield of 0%; expected volatility of 100%; risk free interest rate of 1.66%; and an expected life of 0.97 years. As a result, the fair value of the warrants was estimated to be $175,000, with warrant issuance cost of $37,000.

8. EXPLORATION AND EVALUATION EXPENDITURES

BVG holds a 100% interest in the Buena Vista Gold Properties which consists of four claim groups located in Pershing County Nevada, USA.

Portions of the four claim groups are subject to mining lease agreements as follows:

- The Gold Knob and French Boy claim groups are subject to two mining lease agreements between RS Gold, LLC and David Rowe and Carelon Rowe, collectively the "Owners", with Gold Knob and French Boy dated May 24, 2010, both amended on May 1, 2015, with French Boy being further amended on October 13, 2017 retroactively to March 31, 2016.

- A portion of the Star Point claim group is subject to a mining lease agreement between RS Gold, LLC, the "Owner" dated June 26, 2010 and amended on May 1, 2015.

- A portion of the BV South claim group is subject to a mining lease agreement between RS Gold, LLC, the "Owner" dated January 1, 2014 and amended on May 1, 2015.

The Star Property and BV South property comprise claims staked by the Company.

Gold Knob

The key provisions of the mining lease agreement for the Gold Knob claims are as follows:

Term: Original term of 10 years ending May 24, 2020, may be extended for an additional 10 years, or so long thereafter as there are mining/processing activities, or reclamation/closure activities.

8. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Advance Minimum Royalties (“AMR”): Advance pre-production royalties deductible from future production royalties are payable as follows:

1st Anniversary of signing US$10,000 (paid)
2nd Anniversary US$20,000 (paid)
3rd Anniversary US$30,000 (paid)
4th Anniversary US$40,000 (paid)
5th and subsequent Anniversaries US$50,000 (amended to US$10,000)
The AMR payments were temporarily amended and reduced to US$10,000 for the years 2015 and 2016. (paid)
In 2017, the AMR payments returned to US$50,000 per year (paid)

Production Royalties: A sliding-scale gold Net Smelter Return (“NSR”) royalty and a 3% gross royalty on other metals is payable to the owners on production proceeds.

Price of Gold	NSR
<US$800/Troy oz.	3%
US$800.01 to US$1,500 oz.	4%
>US$1,500.01 oz.	5%

Royalty Buy-out Provision: The Company may purchase up to a 2% NSR for US$1,250,000 per each 1%, with provision for purchase of an additional 1% NSR if the gold price is above US$1,500/oz. The owners’ NSR cannot be less than 1% after buy out.

Work Commitment: Expenditure of US$60,000 on drilling during the first year (completed).

French Boy

The key provisions of the mining lease agreement for the French Boy claims are as follows:

Term: Original term of 10 years ending May 24, 2020 may be extended for an additional 10 years, or so long thereafter as there are mining/processing activities, or reclamation/closure activities.

Advance Minimum Royalties: Advance pre-production royalties deductible from future production royalties are payable as follows:

1st Anniversary of signing US$10,000 (paid)
2nd Anniversary US$20,000 (paid)
3rd Anniversary US$30,000 (paid)
4th Anniversary US$40,000 (paid)
5th Anniversary US$50,000 (amended to US $10,000)
The AMR payments were temporarily amended and reduced to US$10,000 for the years 2015 and 2016. (paid)
In 2017, the AMR payments were further amended in 2017 retroactively to 2016 and reduced to $nil.

Production Royalties: A sliding-scale gold NSR royalty and a 3% gross royalty on other metals is payable to the owners on production proceeds.

Price of Gold	NSR
<US$800/Troy oz.	3%
US$800.01 to US$1,500 oz.	4%
>US$1,500.01 oz.	5%

Royalty Buy-out Provision: The Company may purchase up to a 2% NSR for US$1,250,000 per each 1%, with provision for purchase of an additional 1% NSR if the gold price is above US$1,500/oz.

The Owners NSR cannot be less than 1% after the buy-out.

8. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

Work Commitment: Expenditure of US$25,000 on drilling during the first year (completed).

Star Point

The leased portion of the Star Point claim group is subject to a mining lease agreement, the key provisions of which are as follows:

Term: Original term 10 of years ending June 26, 2020 may be extended for an additional 10 years, or so long thereafter as there are mining/processing activities, or reclamation/closure activities.

Advance Minimum Royalties: Advance pre-production royalties deductible from future production royalties are payable as follows:

1st Anniversary of signing US$40,000 (paid)
all subsequent Anniversaries US$50,000 (paid to date)
The AMR payments were temporarily amended and reduced to US$5,000 in 2015 and US $10,000 in 2016 (paid)
In 2017, the AMR payments returned to US$50,000 per year (paid)

Production Royalties: A sliding-scale gold NSR royalty and 3% gross royalty on other metals is payable to the owners on production proceeds.

Price of Gold	NSR
<US$800/Troy oz.	3%
US$800.01 to US$1,500 oz.	4%
>US$1,500.01 oz.	5%

Royalty Buy-out Provision: The Company may purchase up to a 2% NSR for US$1,250,000 per point, with provision for purchase of an additional 1% NSR if the gold price is above US$1,500/oz. The Owner's NSR cannot be less than 1% after the buy-out.

BV South

The leased portion of the BV South claim group is subject to a mining lease agreement for which the key provisions of are as follows:

Term: Original term 20 of years ending January 1, 2034 may be extended for an additional 10 years, or so long thereafter as there are mining/processing activities, or reclamation/closure activities.

Advance Minimum Royalties: Advance pre-production royalties deductible from future production royalties are payable as follows:

On signing of the agreement US$25,000 (paid)
On or before September 30, 2014, US$25,000 (paid)
On the first anniversaries and annually thereafter US$50,000 (paid to date)
The AMR payments were temporarily amended and reduced to US$10,000 in 2016 and 2017 (paid)
In 2018, the AMR payments returned to US$50,000 per year (paid)

Production Royalties: A gold NSR royalty and 3% gross royalty on other metals is payable to the owners on production proceeds.

Work Commitment: Expenditure of US$60,000 on drilling during the first year (completed).

Hot Springs Peak

The Hot Springs Peak property consists of unpatented lode mining claims in the northern Hot Springs range in northern Nevada.

8. EXPLORATION AND EVALUATION EXPENDITURES (CONTINUED)

In August 2017, the Company purchased 89 claims in Nevada, USA from Dutch Flats Gold Inc., a company related through common director and ownership, in exchange for 626,091 common shares and settlement of $90,071 for amounts due by Dutch Flats Gold Inc. to BVG.

9. INCOME TAXES

The following table summarizes the difference from the Canadian statutory rate of approximately 26.5% (2016 - 26.5%), the primary area of taxation for the entity, to the Company's current tax provision recorded.

The nature and tax effect of the temporary differences giving rise to the deferred income tax assets are summarized as follows:

	2017	2016
	$	$
(Loss) before income taxes	(1,273,247)	(725,609)
Combined statutory rate	26.50%	26.50%
Expected income tax benefit	(337,000)	(192,000)
Expenses not deductible for tax purposes	99,000	94,000
Tax benefits not realized	238,000	98,000
Income tax expense (recovery)	-	-

As at December 31, 2017, the Company has available non-capital losses in Canada of approximately $2,407,000 (2016 - $1,878,000) that may be carried forward to reduce taxable income derived in future years. These losses will expire as follows:

2029	$	78,000
2030		568,000
2031		22,000
2032		214,000
2033		74,000
2034		612,000
2035		123,000
2036		187,000
2037		529,000
	$	2,407,000

The Company may also have losses available in the United States. The potential benefits of these carry-forward non-capital losses and deductible temporary differences have not been recognized in these consolidated financial statements as it is not considered probable that sufficient future taxable profit will allow the deferred tax asset to be recovered.

10. CAPITAL MANAGEMENT

BVG manages its shareholders' equity as capital, making adjustments based on available funds, to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties to which the Company currently has an interest are in the exploration stage and as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration as well as satisfy administrative costs, the Company will spend its existing working capital and raise additional funds as needed. The Company will continue to assess new properties should sufficient geological or economic potential be demonstrated and if the Company has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the current size of the Company. There were no changes to its capital management approach during the year ended December 31, 2017. Neither the Company nor its subsidiary is subject to externally imposed capital requirements.

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern. The Company has no external debt and is dependent on the capital markets to finance exploration and development activities.

11. SEGMENTED INFORMATION

The Company has one operating segment: the acquisition, exploration and development of precious and base metal mineral resource properties located in Nevada, USA. All furniture and equipment are located in Canada.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Liquidity Risk
- Credit Risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in the note.

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk and commodity price risk.

Foreign Currency Risk

Given the global nature of the Company's business, the Company's operating businesses, financial reporting results and cash flows are exposed to risks associated with foreign currency fluctuations. For 2017, management estimates that if the United States Dollar had weakened or strengthened by 10% against the Canadian dollar, the net loss would have increased or decreased by approximately $63,700 (2016 - $10,700). Included in cash and

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

cash equivalents is $669,672 (2016 - $87,386), due from related party and other assets is $nil (2016 - $20,395) and accounts payable and accrued liabilities is $32,605 (2016 - $854) denominated in U.S. dollars.

Interest Rate Risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with chartered Canadian financial institutions. Sensitivity to a plus or minus 1% change in the interest rates could impact any renewals or extensions of term deposits which would have no significant impact on the net loss due to the immateriality of the interest earned.

Commodity Price Risk

The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is remote as the Company is not a producing entity.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

At December 31, 2017, the Company had a cash balance of $847,744 and current liabilities of $513,969.

The following is a summary of the Company's material contractual obligations (representing undiscounted contractual cash flows):

	Due within				
	1 Year	2 Years	3 Years	Over 4 Years	Total
	$	$	$	$	$
Accounts payable and accrued liabilities and due to director	375,969	-	-	-	375,969

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk in its cash and cash equivalents, and due from related party. The maximum credit risk represented by the Company's financial assets is represented by their carrying amounts. Concentration of credit risk exists with respect to the Company's cash and cash equivalents as substantially the entire amount is held at a single major Canadian financial institution. Credit risk on cash and cash equivalents is minimized by depositing with only reputable financial institutions. Management has reviewed the balance due from related party and determined that the balance is collectible; accordingly, there has been no allowance for doubtful accounts recorded.

Determination of Fair Value

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The consolidated statements of financial position carrying amounts for cash and cash equivalents, due from related party, other assets, accounts payable and accrued liabilities, and approximate fair value due to their short-term nature.

12. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

Due to the use of subjective judgments and uncertainties in the determination of fair values these values should not be interpreted as being realizable in an immediate settlement of the financial instruments.

13. COMMITMENTS AND CONTINGENCIES

Minutes of Settlement

Pursuant to the minutes of settlement in September 2017, concerning an action brought against the Company by one of its shareholders, BVG has agreed to convene a shareholders meeting to approve the reclassification of all issued and outstanding shares of BVG as one class of common shares, approve the proposed transaction with Wabi Exploration Inc. and to elect three new directors to the Board. In addition, BVG will issue 308,043 common shares and pay to the shareholder $15,000, to be held in-trust until such time as the application is dismissed. BVG was also required to issue 250,000 shares for payment of finders' fees related to the fiscal 2014 private placements. The minutes of settlement require the applicant to dismiss the action with prejudice on completion of the business merger with Wabi, or without prejudice if the business merger is not concluded. The Company has issued the requisite common shares in fiscal 2017 and forwarded the necessary funds to the trust account subsequent to December 31, 2017.

Environmental contingencies

BVG's exploration activities are subject to various international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

On September 25, 2017, BVG entered into a letter of intent ("LOI") with Wabi Exploration Inc. ("Wabi"), a Canadian public company listed on the Canadian Securities Exchange, for a proposed share exchange whereby the Company will consolidate all of its existing shares on the basis of 4 BVG shares for 1 new BVG share and then subscribe for new shares in Wabi on the basis of 1 BVG shares for 1 share of Wabi. In consideration of Wabi signing the LOI, BVG made a non-refundable payment to Wabi in the amount of $25,000. On November 14, 2017, BVG entered into an arrangement agreement. Immediately following the merger, the shareholders of BVG would control approximately 85% of Wabi. The transaction is subject to shareholder and regulatory approval. The arrangement agreement was extended to April 1, 2018 and was extended again to May 30, 2018. BVG has received all necessary shareholder approvals required to complete the merger.

14. SUBSEQUENT EVENTS

Subsequent to December 31, 2017, the Company issued 2,466,875 common share units for cash consideration of US$789,400 at US$0.32 per unit. Each unit consisted of one common share and one common share purchase warrant. Each warrant entitled the holder to purchase one additional common share for a period of 12 months at US$0.40.

Subsequent to December 31, 2017, the Company loaned $25,000 to Wabi Exploration Inc. with interest at an annual rate of 6% maturing on June 1, 2018.

Subsequent to December 31, 2017, the Company increased its state wide reclamation bond deposit on its Buena Vista Valley and Hot Springs Peak properties to US$42,000.

See Note 13.