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**REVIVAL GOLD INC.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2018 AND 2017**  
**(EXPRESSED IN CANADIAN DOLLARS)**

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## Independent Auditors' Report

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To the Shareholders of Revival Gold Inc.:

We have audited the accompanying consolidated financial statements of Revival Gold Inc., which comprise the consolidated statement of financial position as at June 30, 2018, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the year 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 financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit 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 Revival Gold Inc. as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### *Other Matter*

The financial statements of the Company for the year ended June 30, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on October 27, 2017.

*MNP LLP*

October 25, 2018  
Toronto, Ontario

Chartered Professional Accountants  
Licensed Public Accountants

**MNP**

# REVIVAL GOLD INC.

## Consolidated Statements of Financial Position (Expressed in Canadian Dollars unless otherwise stated)

|  | June 30,<br>2018    | June 30,<br>2017    |
|--|---------------------|---------------------|
| <b>ASSETS</b>                                      |                     |                     |
| <b>Current assets</b>                              |                     |                     |
| Cash and cash equivalents (note 6)                 | \$ 5,648,121        | \$ 1,828,197        |
| Amounts receivable (note 7)                        | 105,794             | 19,797              |
| Prepaid expenses and deposits                      | 129,457             | -                   |
| <b>Total current assets</b>                        | <b>5,883,372</b>    | <b>1,847,994</b>    |
| <b>Non-current assets</b>                          |                     |                     |
| Exploration and evaluation assets (note 8)         | 3,843,056           | 2,315,001           |
| Equipment (note 10)                                | 29,725              | -                   |
| Reclamation bond (note 9)                          | 82,679              | 12,052              |
| <b>Total non-current assets</b>                    | <b>3,955,460</b>    | <b>2,327,053</b>    |
| <b>Total assets</b>                                | <b>\$ 9,838,832</b> | <b>\$ 4,175,047</b> |
| <b>LIABILITIES AND EQUITY</b>                      |                     |                     |
| <b>Current liabilities</b>                         |                     |                     |
| Accounts payable and accrued liabilities (note 11) | \$ 624,438          | \$ 169,926          |
| <b>Total current liabilities</b>                   | <b>624,438</b>      | <b>169,926</b>      |
| <b>Equity</b>                                      |                     |                     |
| Share capital (note 12)                            | 18,617,793          | 13,223,026          |
| Contributed surplus                                | 1,157,414           | 281,268             |
| Warrant reserve (note 13)                          | 4,756,992           | 801,297             |
| Foreign currency translation reserve               | (2,071)             | (87,661)            |
| Deficit  | (15,315,734)        | (10,212,809)        |
| <b>Total equity</b>                                | <b>9,214,394</b>    | <b>4,005,121</b>    |
| <b>Total liabilities and equity</b>                | <b>\$ 9,838,832</b> | <b>\$ 4,175,047</b> |

Approved:

"Hugh Agro" \_\_\_\_\_ Director

"Michael Mansfield" \_\_\_\_\_ Director

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

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**REVIVAL GOLD INC.****Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars unless otherwise stated)**

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|   | Year Ended<br>June 30,<br>2018 | Year Ended<br>June 30,<br>2017 |
|---|--------------------------------|--------------------------------|
| <b>Operating expenses</b>   |                                |                                |
| Exploration and evaluation expenditures (note 15)                           | \$ 2,907,266                   | \$ 187,981                     |
| General and administrative expenses (note 18)                               | 1,377,448                      | 241,672                        |
| Share based payment   | 876,146                        | 17,220                         |
| Operating loss before the following items                                   | (5,160,860)                    | (446,873)                      |
| Finance income  | 57,935                         | 158                            |
| Loss on settlement of promissory notes (note 12(b)(i))                      | -                              | (99,600)                       |
| Gain on settlement of accounts payable and accrued liabilities              | -                              | 406,546                        |
| <b>Net loss for the year</b>  | (5,102,925)                    | (139,769)                      |
| <b>Items that will be reclassified subsequently to income</b>               |                                |                                |
| Exchange difference on translation from functional to presentation currency | 85,590                         | (503)                          |
| <b>Comprehensive loss for the year</b>                                      | \$ (5,017,335)                 | \$ (140,272)                   |
| <b>Basic and diluted net loss per share</b> (note 16)                       | \$ (0.14)                      | \$ (0.03)                      |
| <b>Weighted average number of common shares outstanding</b>                 | 36,007,108                     | 4,950,518                      |

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

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**REVIVAL GOLD INC.****Consolidated Statements of Cash Flows****(Expressed in Canadian Dollars unless otherwise stated)**

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|  | Year Ended<br>June 30,<br>2018 | Year Ended<br>June 30,<br>2017 |
|--|--------------------------------|--------------------------------|
| <b>Operating activities</b>                                    |                                |                                |
| Net loss for the year  | \$ (5,102,925)                 | \$ (139,769)                   |
| Adjustments for:   |                                |                                |
| Depreciation   | 5,073                          | -                              |
| Share-based payments   | 876,146                        | 17,220                         |
| Gain on settlement of accounts payable and accrued liabilities | -                              | (406,546)                      |
| Loss on settlement of promissory notes                         | -                              | 99,600                         |
|  | <b>(4,221,706)</b>             | <b>(429,495)</b>               |
| Changes in non-cash operating capital:                         |                                |                                |
| Amounts receivable   | (85,997)                       | (2,021)                        |
| Prepaid expenses and deposits                                  | (129,457)                      | -                              |
| Accounts payables and accrued liabilities                      | 454,512                        | (56,162)                       |
| <b>Net cash used in operating activities</b>                   | <b>(3,982,648)</b>             | <b>(487,678)</b>               |
| <b>Financing activities</b>                                    |                                |                                |
| Proceeds from private placement                                | 9,020,340                      | 2,514,580                      |
| Cost of issue  | (435,753)                      | (56,996)                       |
| Proceeds from promissory notes                                 | -                              | 142,000                        |
| Proceeds from warrants exercised                               | 25,875                         | -                              |
| <b>Net cash provided by financing activities</b>               | <b>8,610,462</b>               | <b>2,599,584</b>               |
| <b>Investing activities</b>                                    |                                |                                |
| Expenditures on exploration and evaluation assets              | (707,564)                      | (302,500)                      |
| Purchase of reclamation bond                                   | (67,796)                       | -                              |
| Purchase of equipment  | (34,970)                       | -                              |
| <b>Net cash used in investing activities</b>                   | <b>(810,330)</b>               | <b>(302,500)</b>               |
| <b>Effect of foreign currency translation</b>                  | <b>2,440</b>                   | <b>(602)</b>                   |
| <b>Net change in cash and cash equivalents</b>                 | <b>3,817,484</b>               | <b>1,809,406</b>               |
| <b>Cash and cash equivalents, beginning of year</b>            | <b>1,828,197</b>               | <b>19,393</b>                  |
| <b>Cash and cash equivalents, end of year</b>                  | <b>\$ 5,648,121</b>            | <b>\$ 1,828,197</b>            |
| <b>Supplemental information</b>                                |                                |                                |
| Shares issued to settle promissory notes                       | \$ -                           | \$ 348,600                     |
| Shares issued for exploration and evaluation assets            | \$ 740,000                     | \$ 2,012,500                   |

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

# REVIVAL GOLD INC.

## Consolidated Statements of Changes in Equity (Expressed in Canadian Dollars unless otherwise stated)

|  | Number<br>of Shares | Share<br>Capital     | Contributed<br>Surplus | Warrant<br>Reserve  | Foreign<br>Currency<br>Translation<br>Reserve | Deficit               | Total               |
|--|---------------------|----------------------|------------------------|---------------------|---|-----------------------|---------------------|
| <b>Balance, June 30, 2016</b>  | 2,432,405           | \$ 9,205,639         | \$ 264,048             | \$ -                | \$ (87,158)                                   | \$(10,073,040)        | \$ (690,511)        |
| Private placement  | 11,565,430          | 2,514,580            | -                      | -                   | -   | -                     | 2,514,580           |
| Warrants valuation   | -                   | (801,297)            | -                      | 801,297             | -   | -                     | -                   |
| Cost of issue - cash   | -                   | (56,996)             | -                      | -                   | -   | -                     | (56,996)            |
| Shares issued for exploration and evaluation<br>assets                         | 5,750,000           | 2,012,500            | -                      | -                   | -   | -                     | 2,012,500           |
| Shares issued to settle promissory note  | 4,980,000           | 348,600              | -                      | -                   | -   | -                     | 348,600             |
| Share-based payment  | -                   | -                    | 17,220                 | -                   | -   | -                     | 17,220              |
| Exchange difference on translation from functional<br>to presentation currency | -                   | -                    | -                      | -                   | (503)   | -                     | (503)               |
| Loss for the year  | -                   | -                    | -                      | -                   | -   | (139,769)             | (139,769)           |
| <b>Balance, June 30, 2017</b>  | 24,727,835          | \$ 13,223,026        | \$ 281,268             | \$ 801,297          | \$ (87,661)                                   | \$(10,212,809)        | \$ 4,005,121        |
| Private placement  | 15,033,900          | 9,020,340            | -                      | -                   | -   | -                     | 9,020,340           |
| Warrants valuation   | -                   | (3,970,542)          | -                      | 3,970,542           | -   | -                     | -                   |
| Cost of issue - cash   | -                   | (435,753)            | -                      | -                   | -   | -                     | (435,753)           |
| Warrants exercised   | 57,500              | 25,875               | -                      | -                   | -   | -                     | 25,875              |
| Fair value of warrants exercised   | -                   | 14,847               | -                      | (14,847)            | -   | -                     | -                   |
| Shares issued for exploration and evaluation<br>assets                         | 1,000,000           | 740,000              | -                      | -                   | -   | -                     | 740,000             |
| Share-based payment  | -                   | -                    | 876,146                | -                   | -   | -                     | 876,146             |
| Exchange difference on translation from functional<br>to presentation currency | -                   | -                    | -                      | -                   | 85,590  | -                     | 85,590              |
| Loss for the year  | -                   | -                    | -                      | -                   | -   | (5,102,925)           | (5,102,925)         |
| <b>Balance, June 30, 2018</b>  | <b>40,819,235</b>   | <b>\$ 18,617,793</b> | <b>\$ 1,157,414</b>    | <b>\$ 4,756,992</b> | <b>\$ (2,071)</b>                             | <b>\$(15,315,734)</b> | <b>\$ 9,214,394</b> |

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

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 1. Nature of operations

Revival Gold Inc. and its subsidiaries, Strata Minerals Pty Ltd. and Revival Gold (Idaho) Inc., (the "Company" or "Revival") is a growth-focused gold mineral exploration and development company. The Company is focused on its recently acquired Beartrack Gold and Arnett Gold projects located in Idaho. In addition, the Company is pursuing other gold exploration and development opportunities and holds a 51% interest in the Diamond Mountain Phosphate Project located in Utah County, Utah. The head office of the Company is located at 145 King Street West, Suite 2870, Toronto, Ontario, M5H 1J8.

Revival was incorporated under the Canada Business Corporations Act on February 7, 2008 and was classified as a Capital Pool Company as defined in the TSX Venture Exchange ("TSX-V" or the "Exchange") Policy 2.4 and domiciled in Canada. The Company's wholly owned subsidiary, Strata Minerals Pty Ltd. ("Strata") was incorporated under the laws of Australia on September 8, 2009. The Company's wholly owned subsidiary, Revival Gold (Idaho) Inc. ("Revival Idaho") was incorporated under the laws of Idaho on April 3, 2017.

As at June 30, 2018, the Company had not determined the existence of economically recoverable reserves. The Company's assets may be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions, and political uncertainty.

These consolidated financial statements have been prepared using International Financial Reporting Standards applicable to a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business for the foreseeable future as they come due. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Given that the Company has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable, the Company has not yet generated income or cash flows from its operations. The Company has incurred a loss of \$5,102,925 during the year ended June 30, 2018 (year ended June 30, 2017 - loss of \$139,769) and has an accumulated deficit of \$15,315,734 (June 30, 2017 - \$10,212,809).

### 2. Significant accounting policies

#### (a) *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") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of October 25, 2018, the date the Board of Directors approved the statements.

These 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.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 2. Significant accounting policies (continued)

#### (b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Company has control, where control is defined as the power to govern financial and operating policies of an entity so as to obtain benefit from its activities. All material intercompany transactions are eliminated upon consolidation.

The following companies have been consolidated within the annual consolidated financial statements:

| <b>Company</b>            | <b>Registered</b>               | <b>Principal activity</b> |
|---------------------------|---------------------------------|---------------------------|
| Revival Gold Inc.         | Ontario, Canada                 | Parent company            |
| Revival Gold (Idaho) Inc. | Idaho, United States of America | Exploration company       |
| Strata Minerals Pty Ltd.  | Perth, Australia                | Exploration company       |

#### (c) Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars. The functional currency for each entity consolidated with the Company is determined by the currency of the primary economic environment in which it operates ("the functional currency"). The functional currency of Strata is the Australian dollar, the functional currency of Revival Idaho is the US dollar and the functional currency of Revival is the Canadian dollar. The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

At the end of each reporting year: monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at that date; non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates of exchange prevailing at the date when fair value was determined; and, non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are not retranslated. Such exchange differences arising from retranslation at year-end are recognized in the statement of loss and comprehensive loss.

The results and financial position of all the Company entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that financial year end;
- income and expenses for each statement of loss and comprehensive loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions);
- equity transactions are translated using the exchange rate at the date of the transaction; and
- all resulting exchange differences are recognized as a separate component of equity.



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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 2. Significant accounting policies (continued)

#### (d) *Financial instruments*

Financial instruments are defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

Financial assets are classified into the following categories at their initial recognition:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- loans and receivables;
- or available-for-sale investments.

Financial liabilities are classified into the following categories at their initial recognition:

- financial liabilities at fair value through profit or loss;
- or other financial liabilities.

Financial assets and liabilities are initially measured at fair value, plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issuance of the financial asset or liability. In a purchase or sale of financial assets, recognition and derecognition occurs using trade date accounting.

Financial assets are subsequently measured after initial recognition at fair value, except for financial assets classified as held-to-maturity investments or loans and receivables, which are subsequently measured at amortised cost using the effective interest method.

Financial liabilities at fair value through profit or loss are subsequently remeasured after recognition at fair value. All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

#### *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Financial assets are derecognized when:

- the contractual rights to the cash flows from the financial asset expire;
- the contractual rights to the cash flows from the financial asset are retained, but a contractual obligation to pay the cash flows to another party without material delay is assumed by the Company;
- or when the Company transfers substantially all the risks and rewards of ownership of the financial asset.

Financial liabilities are derecognized when the obligations are discharged, cancelled, or expire.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 2. Significant accounting policies (continued)

#### (d) *Financial Instruments (continued)*

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of financial assets classified as loans and receivables, where the carrying amount is reduced through the use of an allowance account. When these assets are considered uncollectible, they are written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial instruments recorded at fair value on the statement of financial position or disclosed at fair value in the notes to the consolidated financial statements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels: Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### (e) *Impairment of non-financial assets*

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss.

#### (f) *Leases*

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the year in which they are incurred.

#### (g) *Segmented information*

The Company's operations comprise a single reporting operating segment engaged in mineral exploration. The Company has three geographical segments: Canada, Australia, and USA.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 2. Significant accounting policies (continued)

#### (h) *Plant and equipment*

Items of plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and fair value of any other consideration given to acquire the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

An item of plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of loss and comprehensive loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed each reporting period, and adjusted prospectively if appropriate.

#### (i) *Exploration and acquisition expenditures*

The Company has adopted the policy of capitalizing initial acquisition costs relating to tenements and expensing all exploration and evaluation expenditure in relation to its gold and phosphate leases as incurred. Where the Directors decide to progress the development in an area of interest all further expenditures incurred relating to the area will be capitalized. Projects are advanced to development status and classified as development assets when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditures are carried forward up to commencement of production at which time it is amortized over the life of the economically recoverable reserve.

#### (j) *Cash and cash equivalents*

Cash and cash equivalents in the consolidated statements of financial position comprise cash at banks and short-term bank deposits with original maturity of three months or less. The Company's cash is invested with major financial institutions in business accounts that are available on demand by the Company for its programs.

#### (k) *Finance income*

Interest is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### (l) *Provisions*

A provision is recognized 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 of the obligation 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, where appropriate, the risks specific to the liability.

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. The Company had no material provisions at June 30, 2018 and June 30, 2017.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 2. Significant accounting policies (continued)

#### (m) *Share-based payment transactions*

The fair value of share options granted is recognized as an expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value of share-based payments to employees is measured at the grant date and recognized on a graded-vesting basis over the period during which the options vest. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The fair value of the options granted to employees is measured using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. Consideration paid for the shares on the exercise of stock options is credited to share capital. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

#### (n) *Income taxes*

Income tax on the profit or loss for the years 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 year end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. 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. To the extent that the Company does not consider it probable that a future tax asset will be recovered, it provides a valuation allowance against that excess.

#### (o) *Restoration, rehabilitation and environmental obligations*

A legal or constructive obligation to incur restoration, rehabilitation and environmental costs 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 pretax rate that reflects 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 that 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 has no material restoration, rehabilitation and environmental costs as the disturbance to date is minimal.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 2. Significant accounting policies (continued)

#### (p) *Loss per share*

The Company presents basic and diluted loss per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the year. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all warrants and options outstanding that may add to the total number of common shares.

#### (q) *Significant accounting judgments and estimates*

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates that, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates

Significant assumptions about the future that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- the recoverability of amounts receivable that is included in the consolidated statements of financial position;
- the inputs used in the Black-Scholes valuation model (volatility; interest rate; expected life and forfeiture rate) in accounting for share-based payment transactions;
- the valuation of income tax accounts; and
- the recoverability of exploration and evaluation assets that are included in the consolidated statements of financial position.

#### Critical accounting judgments

- management applied judgment in determining the functional currency of Strata as Australian dollars, the functional currency of Revival as Canadian dollars and the functional currency of Revival Idaho as US dollars;
- acquisition method accounting - during the acquisition of the Beartrack Gold Project, judgment was required to determine if the acquisition represented a business combination or an asset purchase. More specifically, management concluded that they did not represent a business, as the assets acquired were not an integrated set of activities with inputs, processes and outputs. Since it was concluded that the acquisition represented the purchase of assets, there was no goodwill generated on the transaction and acquisition costs were capitalized to the assets purchased rather than expensed. As the Company concluded that the acquisition was an asset acquisition, an allocation of the purchase price to the individual identifiable assets acquired, including intangible assets, and liabilities assumed based on their relative fair values at the date of purchase was required. The fair values of the net assets acquired were calculated using significant estimates and judgments. If estimates or judgments differed, this could result in a materially different allocation of net assets on the consolidated statement of financial position; and

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 2. Significant accounting policies (continued)

(q) *Significant accounting judgments and estimates (continued)*

Critical accounting judgments (continued)

- management's assessment of no material restoration, rehabilitation and environmental obligations, based on the facts and circumstances that existed during the year.

(r) *New accounting standards and interpretations*

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB 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. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company does not expect adoption of the standard to have any material impact on the consolidated financial statements.

IFRS 16 - Leases (“IFRS 16”) was issued on January 13, 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 recognizes 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 recognize 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.

### 3. Capital risk management

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, which comprises share capital, reserves and accumulated deficit, which at June 30, 2018 totaled \$9,214,394 (June 30, 2017 - \$4,005,121).

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

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### 3. Capital risk management (continued)

The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is updated based on activities related to its mineral properties. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the year ended June 30, 2018.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSX-V which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of June 30, 2018, the Company is compliant with Policy 2.5.

### 4. Financial risk management

Financial risk

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign currency risk and commodity and equity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There were no changes to credit risk, liquidity risk or market risk for the year ended June 30, 2018.

#### (i) Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents. Cash is held with select major Canadian and American chartered banks, from which management believes the risk of loss to be minimal.

#### (ii) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. All accounts payable and accrued liabilities are due in the next twelve months. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flow primarily from its financing activities.

#### (iii) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices.

##### (a) Interest rate risk

The Company currently does not have any short-term or long-term debt that is interest bearing and, as such, the Company's current exposure to interest rate risk is minimal.

##### (b) Foreign currency risk

The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. The Company holds cash balances in Canadian dollars and US dollars which could give rise to exposure to foreign exchange risk. It is not the Company's policy to hedge its foreign currency related to the US dollar.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 4. Financial risk management (continued)

(iii) Market risk (continued)

(c) Commodity and equity price risk

The Company is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, as they relate to gold and the stock market to determine the appropriate course of action to be taken by the Company.

Commodity price risk could adversely affect the Company. In particular, the Company's future profitability and viability of development depends upon the world market price of gold. There is no assurance that, even if commercial quantities of gold deposits are produced in the future, a profitable market will exist for them. As of June 30, 2018, the Company was not a gold producer. Even so, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

#### Sensitivity analysis

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in the functional currency in which they are measured. The Company has not entered into any foreign currency contracts to mitigate this risk.

The Company holds balances in US dollars which could give rise to exposure to foreign exchange risk. Sensitivity to a plus or minus 10% change in the foreign exchange rate of the US dollar against the Canadian dollar would affect the net loss by approximately \$245,000 and comprehensive loss by \$624,000.

### 5. Categories of financial instruments

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|  | June 30,<br>2018 | June 30,<br>2017 |
|--|------------------|------------------|
| <b>Financial assets:</b>                 |                  |                  |
| Loans and receivables:                   |                  |                  |
| Cash and cash equivalents                | \$ 5,648,121     | \$ 1,828,197     |
| Reclamation bond                         | \$ 82,679        | \$ 12,052        |
| <b>Financial liabilities:</b>            |                  |                  |
| Other financial liabilities:             |                  |                  |
| Accounts payable and accrued liabilities | \$ 624,438       | \$ 169,926       |

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As at June 30, 2018 and 2017, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature.

### 6. Cash and cash equivalents

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|               | June 30,<br>2018 | June 30,<br>2017 |
|---------------|------------------|------------------|
| Cash on hand  | \$ 5,648,121     | \$ 311,630       |
| Trust account | -                | 1,516,567        |
|               | \$ 5,648,121     | \$ 1,828,197     |

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

### 7. Amounts receivable

|                      | June 30,<br>2018 | June 30,<br>2017 |
|----------------------|------------------|------------------|
| Sales tax receivable | \$ 105,794       | \$ 19,797        |

### 8. Exploration and evaluation assets

|                        | Beartrack    | Arnett       | Diamond<br>Mountain | Total        |
|------------------------|--------------|--------------|---------------------|--------------|
| Balance, June 30, 2016 | \$ -         | \$ -         | \$ 1                | \$ 1         |
| Additions              | -            | 2,315,000    | -                   | 2,315,000    |
| Balance, June 30, 2017 | \$ -         | \$ 2,315,000 | \$ 1                | \$ 2,315,001 |
| Additions              | 1,146,935    | 300,629      | -                   | 1,447,564    |
| Foreign exchange       | 45,179       | 35,312       | -                   | 80,491       |
| Balance, June 30, 2018 | \$ 1,192,114 | \$ 2,650,941 | \$ 1                | \$ 3,843,056 |

(i) During the year ended June 30, 2018, the Company signed an earn-in and related stock purchase agreement (the "Agreement") with Meridian Gold Company ("Meridian"), a subsidiary of Yamana Gold Inc., by which Revival may acquire a 100% interest in Meridian Beartrack Co. ("Meridian Beartrack"), owner of the Beartrack Gold Project ("Beartrack") located in Lemhi County, Idaho. Beartrack is situated approximately four miles east of Revival's Arnett Gold Project and will serve as the Company's base for exploration drill hole core logging and storage for both Beartrack and Arnett.

Revival may acquire Meridian Beartrack by making a cash payment of US\$250,000 (paid), delivering four million shares of Revival to be issued: 1 million on signing (issued and valued at \$740,000) and 1 million on each of the first three anniversary dates (1 million issued subsequent to June 30, 2018), spending US\$10,000,000 on exploration and funding certain remediation costs during a four-year earn-in period to be incurred annually as follows: US\$2,000,000, US\$2,000,000, US\$3,000,000 and US\$3,000,000. Upon completion of the acquisition, Revival will assume future site remediation and closure obligations. Revival will also be required to provide a 1% NSR royalty and pay the greater of US\$6 per ounce of gold in mineral resource or US\$15 per ounce of gold in mineral reserve on all ounces outlined over the next seven years.

(ii) During the year ended June 30, 2017, the Company acquired a 100% interest in 16 unpatented mining claims, a 75% interest in 68 unpatented mining claims and an option to acquire 100% in 11 additional unpatented mining claims comprising a total of approximately 1,930 acres located in Lemhi County, Idaho and known as the Arnett Gold Project ("Arnett").

The Company issued 5,750,000 common shares (issued and valued at \$2,012,500) and paid cash of \$100,000 for the claims acquired. The Company has an option to purchase the 25% residual interest in the 75% acquired claims for US\$500,000. As part of the option to acquire the 100% interest in the remaining claims, the Company paid \$202,500 cash and is required to make annual payments of US\$150,000 (paid) by June 30, 2018 and, US\$150,000, US\$250,000 and US\$250,000, respectively by June 30 of each of the first three anniversary dates.

As part of the 100% claims acquired, 75% claims acquired and the claims optioned, the vendors all retain a 1%, 1% and 2%, respectively, Net Smelter Return ("NSR"), each of which may be purchased by the Company at any time for US\$2,000,000 each.

During the year ended June 30, 2018, the Company staked an additional 195 claims covering 4,027 acres (1,630 hectares) on the Arnett project.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 8. Exploration and evaluation assets (continued)

(iii) The Company signed an Option Agreement with Utah Mineral Resources LLC (the "Optionor") dated November 12, 2013 pursuant to which the Company can earn up to an 80% interest in the Diamond Mountain phosphate project located in the State of Utah, approximately 30 kms north-east of Vernal, Utah (the "Diamond Mountain Project"). Under the terms of the Option Agreement, the Company earned a 51% interest in the Diamond Mountain Project by incurring expenditures of US\$1,000,000 in exploration and development on the Diamond Mountain Project and making cash payments totaling US\$75,000 and a unit (common shares plus warrants) payment equal to \$100,000.

In the year ended June 30, 2016, the Company impaired the carrying value to \$1 due to the working capital deficit and the uncertainty of the ability to fund future plans to explore this Project. Due to the change in the Company's focus, the carrying value remains \$1.

(iv) On November 7, 2014, the Company announced an agreement to lease 98.7 hectares of privately held mineral and surface rights contiguous with its Diamond Mountain project. In addition, the Company announced the filing of an additional 1,236.6 hectares of Phosphate Prospecting Permit Application ("PPPA") areas to the South East of, and contiguous with, the Company's existing PPPA areas. At June 30, 2018, the Company continues to hold these rights, which are held at a carrying value of \$nil on the consolidated statements of financial position. A portion of the Diamond Mountain project, outside of the currently defined resource, is subject to a 2.5% gross value production royalty.

### 9. Reclamation bond

The Company posted a US\$84,254 reclamation bond for the Diamond Mountain Project, as required by the State of Utah, to secure clean-up costs if the projects are abandoned or closed. During the year ended June 30, 2015, US\$75,000 was released back to the Company for reclamation work performed. As at June 30, 2018, US\$9,254 remains posted.

During the year ended June 30, 2018, the Company posted a US\$53,400 reclamation bond for the Beartrack Project, as required by the US Forest Service, to secure clean-up costs if the project is abandoned or closed.

### 10. Equipment

| <b>Cost</b>                              | <b>Vehicles</b>  |
|--|------------------|
| Balance, June 30, 2016 and June 30, 2017 | \$ -             |
| Additions                                | 34,970           |
| <b>Balance, June 30, 2018</b>            | <b>\$ 34,970</b> |

  

| <b>Accumulated Depreciation</b>          | <b>Vehicles</b> |
|--|-----------------|
| Balance, June 30, 2016 and June 30, 2017 | \$ -            |
| Depreciation for the year                | 5,245           |
| <b>Balance, June 30, 2018</b>            | <b>\$ 5,245</b> |

  

| <b>Carrying Amount</b>        | <b>Vehicles</b>  |
|-------------------------------|------------------|
| <b>Balance, June 30, 2017</b> | <b>\$ -</b>      |
| <b>Balance, June 30, 2018</b> | <b>\$ 29,725</b> |

# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

### 11. Accounts payable and accrued liabilities

|                           | June 30,<br>2018 | June 30,<br>2017 |
|---------------------------|------------------|------------------|
| Due within the next year: |                  |                  |
| Trade payables            | \$ 422,822       | \$ 106,767       |
| Accrued liabilities       | 201,616          | 63,159           |
|                           | \$ 624,438       | \$ 169,926       |

### 12. Share capital

On March 27, 2017, the Company completed the share consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every ten pre-consolidation common shares. The share consolidation has been reflected in these financial statements and all applicable references to the number of shares, warrants, stock options and their strike price and per share information has been restated.

#### a) Authorized share capital

At June 30, 2018, the authorized share capital consisted of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

#### b) Common shares issued

|  | Number of<br>common<br>shares | Amount               |
|--|-------------------------------|----------------------|
| <b>Balance - June 30, 2016</b>                               | <b>2,432,405</b>              | <b>\$ 9,205,639</b>  |
| Shares issued to settle promissory notes (i)                 | 4,980,000                     | 348,600              |
| Units issued for private placements (ii), (iii), (iv)        | 11,565,430                    | 2,514,580            |
| Fair value of warrants issued (iv)                           | -                             | (801,297)            |
| Cost of issue - cash (ii), (iii), (iv)                       | -                             | (56,996)             |
| Shares issued for exploration and evaluation assets (note 8) | 5,750,000                     | 2,012,500            |
| <b>Balance - June 30, 2017</b>                               | <b>24,727,835</b>             | <b>\$ 13,223,026</b> |
| Shares issued for exploration and evaluation assets (note 8) | 1,000,000                     | 740,000              |
| Units issued for private placements (v)                      | 15,033,900                    | 9,020,340            |
| Fair value of warrants issued (v)                            | -                             | (3,970,542)          |
| Cost of issue - cash (v)                                     | -                             | (435,753)            |
| Warrants exercised (note 13)                                 | 57,500                        | 25,875               |
| Fair value of warrants exercised                             | -                             | 14,847               |
| <b>Balance - June 30, 2018</b>                               | <b>40,819,235</b>             | <b>\$ 18,617,793</b> |

(i) During the year ended June 30, 2017, total promissory notes of \$249,000 were settled through the issuance of common shares of the Company. As a result the Company recorded a loss on settlement of promissory notes of \$99,600.

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

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### 12. Share capital (continued)

b) Common shares issued (continued)

(ii) On March 27, 2017, the Company completed a non-brokered private placement for gross proceeds of \$214,580 at a price of \$0.07 per common share for a total of 3,065,430 common shares. The securities issued pursuant to the placement are subject to a four month and one day statutory hold period.

An officer of the Company subscribed for 360,000 common shares under the private placement.

(iii) On May 8, 2017, the Company completed a non-brokered private placement for gross proceeds of \$500,000 at a price of \$0.20 per common share for a total of 2,500,000 common shares.

Officers and directors of the Company subscribed for 175,000 common shares under the private placement.

(iv) On June 30, 2017, the Company completed a non-brokered private placement for gross proceeds of \$1,800,000 at a price of \$0.30 per unit for a total of 6,000,000 units. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share for \$0.45 for a period of two years. All securities issued pursuant to the placement are subject to a four month and one day statutory hold period.

The grant date fair value of \$774,600 was assigned to the 3,000,000 warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 1.09%; an expected volatility factor of 168%; an expected dividend yield of 0%; and an expected life of 2 years.

Eligible finders were paid cash fees of \$29,124 and 97,080 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at \$0.30 for a period of two years from closing. The grant date fair value of \$26,697 was assigned to the broker warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: a risk-free interest rate of 1.09%; an expected volatility factor of 168%; an expected dividend yield of 0%; and an expected life of 2 years.

Officers and directors of the Company subscribed for 188,501 units under the private placement.

(v) On October 19, 2017, the Company completed a private placement for gross proceeds of \$9,020,340 at a price of \$0.60 per unit for a total of 15,033,900 units. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant will entitle the holder to acquire one common share for \$0.90 for a period of two years. All securities issued pursuant to the placement are subject to a four month and one day statutory hold period.

The grant date fair value of \$3,704,353 was assigned to the 7,516,950 warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: share price of \$0.73; a risk-free interest rate of 1.49%; an expected volatility factor of 151%; an expected dividend yield of 0%; and an expected life of 2 years.

Eligible brokers and finders were paid cash fees totaling \$298,753 and were issued 497,922 broker warrants. Each broker warrant entitles the holder to acquire one common share of the Company at \$0.60 for a period of two years from closing. The grant date fair value of \$266,189 was assigned to the broker warrants issued as estimated by using a fair value market technique incorporating the Black-Scholes option pricing model, using the following assumptions: share price of \$0.73; a risk-free interest rate of 1.49%; an expected volatility factor of 151%; an expected dividend yield of 0%; and an expected life of 2 years.

Officers and directors of the Company subscribed for 253,334 units under the private placement.

# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

### 12. Share capital (continued)

#### b) Common shares issued (continued)

(v) (continued) In connection with the private placement, Revival also announced the formation of a strategic relationship (the "Strategic Relationship") with Orion Mine Finance ("Orion"), and the purchase by Orion of 4,167,000 units of the private placement. Under the terms of the Strategic Relationship, Orion and Revival have agreed to collaborate and enter into good faith negotiations on Revival's future funding requirements, including acquisition and development financing, equal to or greater than US\$25 million.

Orion's subscription of units in Revival provides that, until December 31, 2019, in the event of: (i) a proposed acquisition of a new project or entity by the Company; or (ii) the development of any existing project of the Company, and such acquisition or development has a value equal to or greater than US\$25 million (a "Subject Transaction"), the parties will enter into good faith negotiations over a 15-day exclusive period regarding the terms of financing for the Subject Transaction (the "Orion Acquisition or Development Financing"). Any such Orion Acquisition or Development Financing will consist of a mix of debt, equity, or metal streaming, with the specific allocation and terms to be determined at the time of negotiation of such financing, subject to the intended use of funds and to agreement by the parties.

### 13. Warrants

The following table reflects the continuity of warrants for the periods ended June 30, 2018 and 2017:

|                               | Number of warrants | Weighted average exercise price |
|-------------------------------|--------------------|---------------------------------|
| <b>Balance, June 30, 2016</b> | -                  | \$ -                            |
| Issued (note 12 (b)(iv))      | 3,097,080          | 0.45                            |
| <b>Balance, June 30, 2017</b> | <b>3,097,080</b>   | <b>\$ 0.45</b>                  |
| Issued (note 12 (b)(v))       | 8,014,872          | 0.88                            |
| Exercised                     | (57,500)           | 0.45                            |
| <b>Balance, June 30, 2018</b> | <b>11,054,452</b>  | <b>\$ 0.76</b>                  |

The following table reflects the warrants issued and outstanding as of June 30, 2018:

| Number of Warrants Outstanding | Exercise Price | Expiry Date      |
|--------------------------------|----------------|------------------|
| 97,080                         | \$ 0.30        | June 30, 2019    |
| 2,942,500                      | 0.45           | June 30, 2019    |
| 7,516,950                      | 0.90           | October 19, 2019 |
| 497,922                        | 0.60           | October 19, 2019 |
| <b>11,054,452</b>              | <b>\$ 0.76</b> |                  |

# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

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### 14. Stock options

The Company has a stock option plan for its directors, officers, employees and technical consultants to the Company that are non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares. The number of common shares reserved for issuance to any individual, director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance pursuant to options granted to all Technical consultants will not exceed 2% of the issued and outstanding common shares. Such options will be exercisable for a period of up to 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

The following table reflects the continuity of stock options for the periods ended June 30, 2018 and 2017:

|                               | Number of<br>stock options | Weighted average<br>exercise price |
|-------------------------------|----------------------------|------------------------------------|
| <b>Balance, June 30, 2016</b> | <b>2,500</b>               | <b>\$ 15.00</b>                    |
| Granted (i)                   | 350,000                    | 0.10                               |
| Expired                       | (2,500)                    | 15.00                              |
| <b>Balance, June 30, 2017</b> | <b>350,000</b>             | <b>\$ 0.10</b>                     |
| Granted (ii), (iii), (iv)     | 2,205,000                  | 0.64                               |
| <b>Balance, June 30, 2018</b> | <b>2,555,000</b>           | <b>\$ 0.57</b>                     |

- (i) On February 9, 2017, the Company granted 350,000 stock options to directors and officers of the Company at an exercise price of \$0.10 and expiry date of February 9, 2022. The stock options vested on grant. A value of \$17,220 was assigned to the options using the Black-Scholes pricing model with the following assumptions: share price of \$0.05; expected dividend yield - 0%; expected volatility 227% (based on historical volatility); risk-free interest rate - 1.06% and an expected life of 5 years.
- (ii) On July 18, 2017, the Company granted 1,275,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.50 and expiry date of July 18, 2022. 200,000 stock options vested on grant and 1,075,000 vested 1/3 immediately with an additional 1/3 on the next two anniversaries of the date of grant. A value of \$426,998 was assigned to the options using the Black-Scholes pricing model with the following assumptions: share price of \$0.35; expected dividend yield - 0%; expected volatility of 186% (based on historical volatility); risk-free interest rate - 1.48% and an expected life of 5 years.
- (iii) On December 4, 2017, the Company granted 805,000 stock options to directors, officers and consultants of the Company at an exercise price of \$0.85 and expiry date of December 4, 2022. 300,000 stock options vested on grant and 505,000 vested 1/3 immediately with an additional 1/3 on the next two anniversaries of the date of grant. A value of \$620,333 was assigned to the options using the Black-Scholes pricing model with the following assumptions: share price of \$0.80; expected dividend yield - 0%; expected volatility of 186% (based on historical volatility); risk-free interest rate - 1.72% and an expected life of 5 years.
- (iv) On January 23, 2018, the Company granted 125,000 stock options to a director of the Company at an exercise price of \$0.75 and expiry date of January 23, 2023. The stock options vested 1/3 immediately with an additional 1/3 on the next two anniversaries of the date of grant. A value of \$84,125 was assigned to the options using the Black-Scholes pricing model with the following assumptions: share price of \$0.70; expected dividend yield - 0%; expected volatility of 184% (based on historical volatility); risk-free interest rate - 2.03% and an expected life of 5 years.

# REVIVAL GOLD INC.

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June 30, 2018

(Expressed in Canadian Dollars unless otherwise stated)

### 14. Stock options (continued)

The following table reflects the stock options issued and outstanding as of June 30, 2018:

| Expiry Date      | Weighted Average Exercise Price | Weighted Average Remaining Contractual Life (years) | Number of Options Outstanding | Number of Options Vested (Exercisable) |
|------------------|---------------------------------|---|-------------------------------|--|
| February 9, 2022 | \$ 0.10                         | 3.62  | 350,000                       | 350,000                                |
| July 18, 2022    | 0.50                            | 4.05  | 1,275,000                     | 558,329                                |
| December 4, 2022 | 0.85                            | 4.43  | 805,000                       | 468,334                                |
| January 23, 2023 | 0.75                            | 4.57  | 125,000                       | 41,667                                 |
|                  | \$ 0.57                         | 4.14  | 2,555,000                     | 1,418,330                              |

### 15. Exploration and evaluation expenditures

The following tables reflect the exploration and evaluation expenditures incurred in the year ended June 30, 2018 and year ended June 30, 2017. Cumulative expenses are shown for only the projects where the Company continues to hold the tenements.

| Year ended June 30, 2018   | Beartrack    | Arnett     | Diamond Mountain | Total        |
|--|--------------|------------|------------------|--------------|
| Leases and taxes   | \$ 84,502    | \$ 59,685  | \$ 19,338        | \$ 163,525   |
| Assays   | 92,570       | -          | -                | 92,570       |
| Drilling and permitting  | 1,615,313    | 47,856     | -                | 1,663,169    |
| Metallurgy   | 46,000       | -          | -                | 46,000       |
| Geological   | 602,878      | 82,950     | -                | 685,828      |
| Travel   | 67,043       | -          | -                | 67,043       |
| Administration and project management                                  | 177,152      | 11,979     | -                | 189,131      |
| Total for the year ended June 30, 2018                                 | 2,685,458    | 202,470    | 19,338           | 2,907,266    |
| Cumulative exploration and evaluation expenditures as at June 30, 2017 | -            | 52,976     | 1,240,714        | 1,293,690    |
| Cumulative exploration and evaluation expenditures as at June 30, 2018 | \$ 2,685,458 | \$ 255,446 | \$ 1,260,052     | \$ 4,200,956 |

| Year ended June 30, 2017   | Arnett    | Diamond Mountain | Total        |
|--|-----------|------------------|--------------|
| Leases and taxes   | \$ -      | \$ 13,449        | \$ 13,449    |
| Consulting   | 18,226    | 2,328            | 20,554       |
| Geological   | 19,672    | -                | 19,672       |
| Administration and project management                                  | 15,078    | 1,497            | 16,575       |
| Total for the year ended June 30, 2017                                 | 52,976    | 17,274           | 70,250       |
| Cumulative exploration and evaluation expenditures as at June 30, 2016 | -         | 1,223,440        | 1,223,440    |
| Cumulative exploration and evaluation expenditures as at June 30, 2017 | \$ 52,976 | \$ 1,240,714     | \$ 1,293,690 |

# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

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(Expressed in Canadian Dollars unless otherwise stated)

### 16. Loss per share

|  | Year Ended<br>June 30,<br>2018 | Year Ended<br>June 30,<br>2017 |
|--|--------------------------------|--------------------------------|
| Net loss per share:                          |                                |                                |
| - basic                                      | \$ (0.14)                      | \$ (0.03)                      |
| - diluted                                    | \$ (0.14)                      | \$ (0.03)                      |
| Net loss attributable to common shareholders | \$ (5,102,925)                 | \$ (139,769)                   |
| Weighted average outstanding - basic         | 36,007,108                     | 4,950,518                      |
| Weighted average outstanding - diluted       | 36,007,108                     | 4,950,518                      |

(i) Basic loss per share is computed by dividing net loss (the numerator) by the weighted average number of outstanding common shares for the period (the denominator). Options and warrants outstanding have been excluded from computing diluted earnings per share because they are anti-dilutive or not in the money.

### 17. Income taxes

The income tax allowance differs from the amount resulting from the application of the combined Canadian income tax rate as follows:

|  | Year Ended<br>June 30,<br>2018 | Year Ended<br>June 30,<br>2017 |
|--|--------------------------------|--------------------------------|
| Loss before income taxes   | \$ (5,102,925)                 | \$ (139,769)                   |
| Combined statutory income tax rate                                     | 26.50 %                        | 26.00 %                        |
| Income tax recovery at the combined combined statutory income tax rate | (1,352,275)                    | (36,340)                       |
| Change in tax rates  | 65,263                         | -                              |
| Permanent differences  | 235,443                        | 30,373                         |
| Tax rate differential and other  | 296,034                        | 37,374                         |
| Movement in deferred tax assets not recognized                         | 755,535                        | (31,407)                       |
|  | \$ -                           | \$ -                           |

The significant components of the deferred tax assets and liabilities not recognized as at June 30, 2018 and 2017 are as follows:

|                                   | Year Ended<br>June 30,<br>2018 | Year Ended<br>June 30,<br>2017 |
|-----------------------------------|--------------------------------|--------------------------------|
| Deferred tax assets:              |                                |                                |
| Non-capital loss carry forwards   | \$ 9,657,373                   | \$ 1,802,414                   |
| Share issue costs                 | 570,264                        | (2,336)                        |
| Exploration and evaluation assets | 794,348                        | 435,169                        |
| Other                             | 59,150                         | 11,041                         |
| Total deferred tax assets         | \$ 11,081,135                  | \$ 2,246,288                   |



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## REVIVAL GOLD INC.

### Notes to Consolidated Financial Statements

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#### 17. Income taxes (continued)

The Company has Australian non-capital losses of approximately \$3,179,000 that have an indefinite life and has Canadian non-capital losses of approximately \$4,306,000 available to apply against the future taxable income, expiring as follows.

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|      | Canada       | United States |
|------|--------------|---------------|
| 2031 | \$ 280,000   | \$ -          |
| 2032 | 649,000      | -             |
| 2033 | 791,000      | -             |
| 2034 | 739,000      | -             |
| 2035 | 404,000      | -             |
| 2036 | 62,000       | -             |
| 2037 | -            | -             |
| 2038 | 1,381,000    | 2,175,000     |
|      | <hr/>        | <hr/>         |
|      | \$ 4,306,000 | \$ 2,175,000  |

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#### 18. General and administrative expenses

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|                                       | Year Ended<br>June 30,<br>2018 | Year Ended<br>June 30,<br>2017 |
|---------------------------------------|--------------------------------|--------------------------------|
| Consulting fees                       | \$ 174,519                     | \$ 24,667                      |
| Accounting and audit fees (note 19)   | 52,504                         | 48,835                         |
| Legal fees                            | 28,849                         | 112,004                        |
| Office and general                    | 147,854                        | 17,106                         |
| Travel and accommodation              | 60,614                         | 15,028                         |
| Regulatory and listing fees (note 19) | 123,695                        | 32,084                         |
| Investor relations                    | 617,562                        | -                              |
| Salaries (note 19)                    | 235,907                        | (8,052)                        |
| Depreciation                          | 5,073                          | -                              |
| Foreign exchange gain                 | (69,129)                       | -                              |
|                                       | <hr/>                          | <hr/>                          |
|                                       | \$ 1,377,448                   | \$ 241,672                     |

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#### 19. Related party transactions

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The below noted transactions are in the normal course of business and are measured at the amount as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

(a) The Company entered into the following transactions with related parties:

Carmelo Marrelli, a director of the Company, is President of Marrelli Support Services Inc. ("Marrelli Support"), a firm providing accounting services. Fees for services provided by Marrelli Support totaled \$28,849, for the year ended June 30, 2018 (year ended June 30, 2017 - \$22,936). As at June 30, 2018, Marrelli Support was owed \$7,347 and this amount was included in accounts payable and accrued liabilities (June 30, 2017 - \$8,312).

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# REVIVAL GOLD INC.

## Notes to Consolidated Financial Statements

June 30, 2018

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### 19. Related party transactions (continued)

(a) The Company entered into the following transactions with related parties: (continued)

During the year ended June 30, 2018, the Company paid professional fees of \$23,673 (year ended June 30, 2017 - \$nil) to DSA Corporate Services Inc. and DSA Filing Services Limited (together referred to as "DSA"), two organizations which Mr. Marrelli controls. These services were incurred in the normal course of operations for corporate secretarial and public filing matters. All services were made on terms equivalent to those that prevail with arm's length transactions. As at June 30, 2018, DSA was owed \$2,570 (June 30, 2017 - \$nil) and this amount was included in amounts payable and other liabilities.

Donald Birak, a director of the Company, was paid or accrued consulting fees of \$17,625, for the year ended June 30, 2018 (year ended June 30, 2017 - \$nil). As at June 30, 2018, Donald Birak was owed \$nil for consulting fees and this amount was included in accounts payable and accrued liabilities (June 30, 2017 - \$nil).

A corporation controlled by Steven T. Priesmeyer, an officer of the Company, was paid or accrued consulting fees of \$188,657, for the year ended June 30, 2018 (year ended June 30, 2017 - \$nil). As at June 30, 2018, this corporation was owed \$32,250 and this amount was included in accounts payable and accrued liabilities (June 30, 2017 - \$nil).

Adam Rochacewich, an officer of the Company, was paid or accrued consulting fees of \$84,300, for the year ended June 30, 2018 (year ended June 30, 2017 - \$nil). As at June 30, 2018, Adam Rochacewich was owed \$12,840 and this amount was included in accounts payable and accrued liabilities (June 30, 2017 - \$nil).

During the year ended June 30, 2018, Mr. Marrelli exercised 25,000 warrants at \$0.45 for gross proceeds to the Company of \$11,250.

(b) In addition to the above, the Company paid or accrued remuneration of Directors and key management of the Company as follows:

|                      | Year Ended<br>June 30,<br>2018 | Year Ended<br>June 30,<br>2017 |
|----------------------|--------------------------------|--------------------------------|
| Director's fees (i)  | \$ 45,500                      | \$ -                           |
| Salaries             | \$ 75,000                      | \$ -                           |
| Share-based payments | \$ 376,374                     | \$ 17,220                      |

(i) As at June 30, 2018, directors were owed \$14,918 and this amount was included in accounts payable and accrued liabilities (June 30, 2017 - \$nil).

(c) Insider shareholdings

As of June 30, 2018, Orion Mine Finance Management II Limited, directly and indirectly, controls 4,167,000 common shares of the Company or approximately 10% of the total common shares outstanding.

None of the Company's major shareholders have different voting rights than other holders of the Company's common shares.

As of June 30, 2018, directors and officers of the Company, with individual control of less than 10% of the total common shares outstanding, collectively control 5,740,614 common shares of the Company or approximately 14% of the total common shares outstanding. To the knowledge of the directors and officers of the Company, the remaining common shares of the Company were widely held.

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# REVIVAL GOLD INC.

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### 20. Commitments and contingencies

The Company is party to certain management contracts. As at June 30, 2018 the contracts require that additional payments of approximately \$304,434 be made upon a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in the financial statements. Commitments upon termination without cause of these contracts are approximately \$152,217.

### 21. Segmented information

The Company has determined that it only operates in one segment, being mineral exploration. Non-current assets segmented by geographical area are as follows:

|               | June 30,<br>2018 | June 30,<br>2017 |
|---------------|------------------|------------------|
| United States | \$ 3,955,460     | \$ 2,327,053     |
| Total         | \$ 3,955,460     | \$ 2,327,053     |

### 22. Subsequent events

(i) Subsequent to June 30, 2018, the Company signed agreements to purchase an undivided 100% interest in the 18-acre Haidee patented mining claim ("Haidee") and the 20-acre Mapatsie #18A unpatented mining claim ("Mapatsie #18A"). Both claims are located within Revival Gold's existing Arnett land package. The claims were purchased from a collection of parties for total cash payments of US\$350,000 plus a 2% Net Smelter Return ("NSR") from the production and sale of the minerals from the Haidee claim. The NSR may be purchased by Revival Gold at any time for US\$1,000,000.

In addition to the purchase of Haidee and Mapatsie #18A at Arnett, the Company increased its land position by staking a total of 117 unpatented lode mining claims surrounding Beartrack. The staked claims total approximately 2,410 acres (975 hectares) and, together with the purchase of Haidee and Mapatsie #18A, bring the total Revival Gold land package at Beartrack and Arnett to approximately 11,641 acres (4,711 hectares).

(ii) Subsequent to June 30, 2018, the Company issued 1 million common shares in accordance with the Meridian Beartack agreement (see note 8(i)).

(iii) Subsequent to June 30, 2018, the Company issued 75,940 common shares on the exercise of 25,000 warrants at \$0.45 and 50,940 warrants at \$0.60.