



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in US Dollars)
Three Months ended March 31, 2016

NOTICE TO READERS

Under National Instrument 51-102, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements have been prepared by management, and are not reviewed by the Company's independent auditor.

DESERT GOLD VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in US dollars)

	Note	March 31, 2016	December 31, 2015
		\$	\$
ASSETS			
Current assets			
Cash		220,061	317,634
GST receivables		4,854	4,656
Prepaid		476	446
		225,391	322,736
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5	361,270	312,005
EQUITY (DEFICIENCY)			
Share capital	4	16,388,703	16,388,703
Subscription receipt	4	-	-
Accumulated other comprehensive income		190,896	185,962
Reserves	4	16,890,463	16,806,863
Deficit		(33,605,941)	(33,370,797)
		(135,879)	10,731
		225,391	322,736

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved for issuance by the board of directors on May 28, 2016

"Sonny Janda"

Director - Sonny Janda

"Jared Scarf"

Director - Jared Scarf

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

DESERT GOLD VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(Unaudited - Expressed in US dollars)

Three months ended March 31,	Note	2016	2015
		\$	\$
Office and administration		15,166	16,170
Professional and consulting fees	6	124,336	91,257
Prospecting rights and exploration	3	-	111,193
Rent		3,281	18,010
Share-based compensation	4	83,600	-
Transfer agent and listing fees		8,497	4,380
Loss before the following:		234,880	241,010
Finance charges and foreign exchange		264	3,454
Net loss		235,144	244,464
Other comprehensive loss			
Foreign exchange translation loss (gain)		(4,934)	43,011
Total comprehensive loss		230,210	287,475
Weighted average number of outstanding shares, basic and diluted		12,913,898	4,406,804
Loss per share, basic and diluted		0.02	0.06

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

DESERT GOLD VENTURES INC.
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)
(Unaudited - Expressed in US dollars except the number of shares)

	Share capital		Subscription received	Reserves			Accumulated other comprehensive income	Deficit	Total equity
	Number	Amount		Others	Warrants	Share-based compensation			
		\$	\$	\$	\$	\$	\$	\$	\$
December 31, 2014	4,406,803	15,645,600	43,100	13,755,601	486,301	2,564,961	179,372	(32,635,611)	39,324
Share issuance - private placement	800,000	317,224	(43,100)	-	-	-	-	-	274,124
Translation between functional and reporting currency	-	-	-	-	-	-	(43,011)	-	(43,011)
Loss for the period	-	-	-	-	-	-	-	(244,464)	(244,464)
March 31, 2015	5,206,803	15,962,824	-	13,755,601	486,301	2,564,961	136,361	(32,880,075)	25,973
December 31, 2015	12,913,898	16,388,703	-	13,755,601	486,301	2,564,961	185,962	(33,370,797)	10,731
Share-based compensation	-	-	-	-	-	83,600	-	-	83,600
Translation between functional and reporting currency	-	-	-	-	-	-	4,934	-	4,934
Income (loss) for the period	-	-	-	-	-	-	-	(235,144)	(235,144)
March 31, 2016	12,913,898	16,388,703	-	13,755,601	486,301	2,648,561	190,896	(33,605,941)	(135,879)

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

DESERT GOLD VENTURES INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Expressed in US dollars)

Three months ended March 31,	2016	2015
	\$	\$
OPERATING ACTIVITIES		
Loss for the period	(235,144)	(244,464)
Adjustments for non-cash items:		
Share-based compensation	83,600	-
Changes in non-cash working capital items:		
Other receivables	(198)	(1,345)
Prepaid	(30)	1,719
Accounts payable and accrued liabilities	40,619	(4,866)
Cash used in operating activities	(111,153)	(248,956)
FINANCING ACTIVITIES		
Proceeds from share issuance	-	274,124
Effect of foreign exchange rate on cash	13,580	(10,069)
Increase (decrease) in cash	(97,573)	15,099
Cash, beginning of year	317,634	298,717
Cash, end of year	220,061	313,816
Supplementary information:		
Interest paid in cash	-	2,048
Income taxes paid in cash	-	-

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

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
(Unaudited - Expressed in US dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Desert Gold Ventures Inc. (the “Company” or “Desert Gold”) is an exploration stage Company with a corporate office at Suite 200 – 8338, 120th Street, Surrey, BC, Canada. The principal business of the Company is conducting mineral property exploration in Mali and Rwanda.

The Company is an exploration stage Company primarily involved in mining and exploration activities which has incurred recurring losses from inception. These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at March 31, 2016, the Company had not advanced its properties to commercial production and is not able to finance day to day activities through operations. The Company’s continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds from equity and/or debt financing that is sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern.

These condensed consolidated interim financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of consolidation and presentation

These condensed consolidated interim financial statements have been prepared on an historical cost basis, modified where applicable. These consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information. All dollar amounts presented are in US dollars, unless otherwise specified.

These consolidated financial statements include the accounts of the Company, and its subsidiaries. All intercompany transactions and balances have been eliminated. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Subsidiaries of the Company are as follows:

Name	Country of incorporation	Ownership percentage	
		March 31, 2016	March 31, 2015
TransAfrika Belgique S.A.	Belgium	0%	100%
TransAfrika Rwanda Gold S.A.R.L.	Rwanda	100%	100%
TransAfrika Mali S.A.	Mali	74%	74%
TransAfrika Senegal S.A.	Senegal	0%	100%
GoldBanks Nevada Ventures Inc.	USA	0%	100%

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
(Unaudited - Expressed in US dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). Accordingly, certain disclosures required in annual financial statements have been condensed or omitted. These condensed interim financial statements are intended to provide users with an update in relation to events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period. It is therefore recommended that these condensed consolidated interim financial statements be read in conjunction with the most recent audited consolidated financial statements for the year ended December 31, 2015.

c) Change in accounting policies and new standards yet to adopted

The Company has not adopted new accounting standards since its recent year ended December 31, 2015.

New accounting standards or amendments to existing standards that have been issued but are not yet effective are either not applicable or not expected to have a significant impact on the Company's financial statements.

d) Use of judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances.

Critical Judgments

The preparation of these consolidated financial statements requires management to make judgments regarding the going concern of the Company as discussed in Note 1 and the functional currency of the Company and its subsidiaries.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty

Share-based compensation

Share-based compensation expense is measured by reference to the fair value of the stock options at the date at which they are granted. Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
(Unaudited - Expressed in US dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Use of judgments and estimates (continued)

Deferred tax assets and liabilities

The measurement of deferred tax provision is subject to uncertainty associated with the timing of future events and changes in legislation, tax rates and interpretations by tax authorities. The estimation of taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

3. PROSPECTING RIGHTS AND EXPLORATION EXPENSES

Farabantourou and Djimbali Project

The Company has the Farabantourou exploration and Djimbala permits, through its subsidiary TransAfrika Mali S.A., located in Mali. The permits expire on November 19, 2016, at which time the Company intends to apply for further permit renewals.

During three months ended March 31, 2016, the Company incurred \$Nil direct exploration expense (2015 – 111,193). The Company has completed the planned exploration in 2015 and is making a plan for further activities.

4. SHARE CAPITAL

(a) Share capital

The authorized share capital of the Company consists of unlimited number of shares without par value, and 1,250,000 preferred shares issuable in series with rights and restrictions to be determined by the directors prior to any issuances.

The Company consolidated the number of outstanding shares on a 10 old to 1 new basis on July 24, 2015. As a result, the number of outstanding shares, warrants, options, and per share data presented in these interim financial statements, including comparative figures have been adjusted retrospectively.

During three months ended March 31, 2015, the Company issued 800,000 units at CAD\$0.50 per unit for proceeds of CAD \$400,000 (equivalent to \$317,224). Each unit consist of one common share of the Company and one share purchase warrant. Each warrant can be exercisable into one common share of the Company for a period of five years from closing at CAD\$0.50 per share. If at any time following the date of issuance, the closing price of the Company's common shares (post 10-to-a consolidation) on the TSX Venture Exchange is greater than CAD\$0.50 for 30 consecutive trading days, the Company may give notice to the holders of the warrants that the expiry time of the warrants has been accelerated and the warrants will expire on the 20th business day following the date of such notice. The Company applied residual method to account for the issuance of warrants and has recorded \$Nil to the reserve – warrants for this private placement.

There was no share issuance during three months ended March 31, 2016.

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
(Unaudited - Expressed in US dollars)

4. SHARE CAPITAL (Continued)

(b) Stock options

Stock option continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2013	437,500	CAD\$ 8.00
Expired/cancelled	(35,000)	8.00
Balance, December 31, 2014	402,500	CAD\$ 8.00
Expired	(270,000)	8.00
Balance, December 31, 2015	132,500	CAD\$ 8.00
Issuance	1,100,000	CAD\$ 0.20
Balance, March 31, 2016	1,232,500	CAD\$ 1.04

On January 29, 2016, the Company granted 1,100,000 options to directors and key management. These options vested immediately and each option is exercisable to one common share at \$0.20/share. The Company recognized stock based compensation expense of \$83,600 in relation to these options.

The weighted average grant date fair value of stock options granted during three months ended March 31, 2016 was \$0.076 per stock option. The Company used the Black-Scholes option pricing model and the following assumptions to determine the fair values of the stock options issued and vested during the three months ended March 31, 2016 with the following weighted average assumptions:

Risk-free interest rate	0.67%
Expected life of options	5 years
Annualized volatility	195%
Dividend rate	0.00%

Stock options outstanding and exercisable as at March 31, 2016 are summarized as follows:

Exercise price (CAD\$)	Number of options outstanding and exercisable	Expiry date	Remaining life (year)
8.00	132,500	December 1, 2016	0.67
0.20	1,100,000	January 29, 2021	4.83

(c) Warrants

Warrants continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2014	-	N/A
Issuance	8,507,142	CAD\$ 0.13
Balance, December 31, 2015 and March 31, 2016	8,507,142	CAD\$ 0.13

As at March 31, 2016, the weighted average remaining life of the Company's outstanding warrants was 4.57 years.

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
(Unaudited - Expressed in US dollars)

4. SHARE CAPITAL (Continued)

(d) Reserves

As at March 31, 2016 and December 31, 2015, the Company's reserve balance consisted of the following components:

- (i) Others - these are reserves to account for the net effect of the corporate restructuring in fiscal 2011.
- (ii) Warrants - these are the reserves to account for the issuance of warrants in prior periods
- (iii) Share-based compensation - these are the reserves to account options vested in prior period.

5. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

The Company's accounts payable and accrued liabilities consisted of the following:

	March 31, 2016	December 31, 2015
	\$	\$
Accounts payable	77,496	33,205
Accrued liabilities	170,247	168,747
Due to related parties	113,528	110,053
	361,271	312,005

6. RELATED PARTY TRANSACTIONS

a) Transactions with key management personnel:

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Board of Directors and corporate officers. The aggregate values of transactions relating to key management are as follows:

Three months ended March 31,	Service	2016	2015
		\$	\$
Officers	Consulting	11,664	26,037
Directors	Consulting	-	7,107
A company with a director common with Desert Gold	Consulting	29,160	-
		40,824	33,138

b) Balances due to related parties:

Amounts due to related parties are unsecured, non-interest bearing and have no fixed terms of repayment. The Company's accounts payable and accrued liabilities included the following balances owing to related parties:

Due to Related parties	Nature	March 31, 2016	December 31, 2015
		\$	\$
Key management, companies related to a director and a former director.	Consulting fees	113,528	110,053

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2016
(Unaudited - Expressed in US dollars)

7. SEGMENT INFORMATION

The Company primarily operates in one reportable operating segment, being the acquisition, exploration and development of resource properties located in Mali and Rwanda.

8. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

	March 31, 2016	December 31, 2015
		\$
FVTPL:		\$
Cash	220,061	317,634

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

	March 31, 2016	December 31, 2015
		\$
Non-derivative financial liabilities:		\$
Trade payables	77,496	33,205
Due to related parties	113,528	110,053
	191,024	143,258

Fair value

At the respective reporting dates, all of the Company's financial instruments had maturities less than one year. As a result, the carrying amount of cash, other receivables, accounts payable and accrued liabilities approximated their fair values due to their short-term maturities.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Cash is measured at fair value using level 1 inputs.