



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited - Expressed in US Dollars)

Three and Six Months Ended June 30, 2017

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	June 30, 2017	December 31, 2016
		\$	\$
ASSETS			
Current assets			
Cash		545,913	151,700
GST receivables		6,646	1,143
Prepaid		554	-
		553,113	152,843
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	5	289,858	324,359
EQUITY (DEFICIENCY)			
Share capital	4	17,405,271	16,603,967
Accumulated other comprehensive income		209,814	198,493
Reserves	4	17,005,368	16,916,508
Deficit		(34,357,198)	(33,890,484)
		263,255	(171,516)
		553,113	152,843

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved for issuance by the board of directors on August 29, 2017

"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)

	Note	Three months ended June 30,		Six months ended June 30,	
		2017	2016	2017	2016
		\$	\$	\$	\$
Advertisement and promotion		37,472	-	37,472	-
Office and administration		25,235	17,103	36,697	32,005
Professional, consulting fees and salaries	6	112,869	37,025	178,694	161,361
Prospecting rights and exploration	3	34,884	15,500	63,303	15,500
Rent		3,124	3,985	6,745	7,266
Share-based compensation	4	-	-	88,860	83,600
Travel		21,956		33,201	-
Transfer agent and listing fees		5,859	2,039	21,139	10,536
Loss before the following:		(241,399)	(75,652)	(466,111)	(310,268)
Finance charges and foreign exchange		(603)	(66)	(603)	(330)
Net loss		(242,002)	(75,718)	(466,714)	(310,598)
Other comprehensive loss					
Foreign exchange translation gain (loss)		8,052	931	11,321	5,865
Total comprehensive loss		(233,950)	(74,787)	(455,393)	(304,733)
Weighted average number of outstanding shares, basic and diluted		19,844,345	12,913,898	19,244,345	12,913,898
Loss per share, basic and diluted		(0.01)	(0.01)	(0.02)	(0.02)

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		Reserves			Accumulated other comprehensive income	Deficit	Total	equity
	Number	Amount	Others	Warrants	Share-based compensation				
		\$	\$	\$	\$	\$	\$	\$	
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	-	-	-	-	-	5,865	-	5,865	
Loss for the period	-	-	-	-	-	-	(310,598)	(310,598)	
June 30, 2016	12,913,898	16,388,703	13,755,601	486,301	2,648,561	191,827	(33,681,395)	(210,402)	
December 31, 2016	16,913,945	16,603,967	13,755,601	486,301	2,674,606	198,493	(33,890,484)	(171,516)	
Share issuance for cash	4,660,800	801,304						801,304	
Share-based compensation	-	-	-	-	88,860	-	-	88,860	
Translation between functional and reporting currency	-	-	-	-	-	11,321	-	11,321	
Income (loss) for the period	-	-	-	-	-	-	(466,714)	(466,714)	
June 30, 2017	21,574,745	17,405,271	13,755,601	486,301	2,763,466	209,814	(34,357,198)	263,255	

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)

Six months ended June 30,	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Loss for the period	(466,714)	(310,598)
Adjustments for non-cash items:		
Share-based compensation	88,860	83,600
Changes in non-cash working capital items:		
Other receivables	(5,503)	1,807
Prepaid	691	(797)
Accounts payable and accrued liabilities	(34,501)	53,176
Cash used in operating activities	(417,167)	(172,812)
FINANCING ACTIVITIES		
Proceeds from share issuance	801,304	-
Effect of foreign exchange rate on cash	10,076	9,334
Increase (decrease) in cash	394,213	(163,478)
Cash, beginning of year	151,700	317,634
Cash, end of year	545,913	154,156

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 AND SIX MONTHS ENDED JUNE 30, 2017
(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 700 - 595 Burrard Street, Vancouver, British Columbia V7X 1S8. 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 consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the ordinary course of operations. As at June 30, 2017 the Company had not advanced its properties to commercial production and is not able to finance its exploration activities to achieve its long-term business goals 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. Management intends to finance the Company’s operations through private placement of common shares (Notes 4).

These consolidated 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 consolidated 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 Desert Gold Ventures Inc. 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	
		June 30, 2017	December 31, 2016
TransAfrika Belgique S.A.	Belgium	100%	100%
TransAfrika Rwanda Gold S.A.R.L.	Rwanda	100%	100%
TransAfrika Mali S.A.	Mali	74%	74%
TransAfrika Senegal S.A.	Senegal	100%	100%
GoldBanks Nevada Ventures Inc.	USA	100%	100%

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

DESERT GOLD VENTURES INC.
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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Statement of compliance (continued)

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 recent year ended December 31, 2016.

c) Change in accounting policies

The Company has not adopted new accounting policies since its last year ended December 31, 2016.

New accounting standard not yet effective is as follows:

IFRS 9 "Financial Instruments"

This new standard is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". 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. 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 the adoption of this new accounting standard has material effects to the Company's consolidated financial statements.

3. EXPLORATION AND EVALUATION ASSETS

Desert Gold Ventures Inc. is an exploration stage Company which holds mining assets in Mali and Rwanda.

Title to resource properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many resource properties.

The Company has investigated the titles to all of its resource properties and, to the best of its knowledge, title to all of its properties is in good standing.

Rwanda Project

The Company, through its wholly owned subsidiary TransAfrika Rwanda Gold SARL, has 100% ownership of the Byumba exploration permit in Rwanda.

Mali Projects

The Company has the Farabantourou exploration permit, Djimbala permits, and Segala Quest Project through its subsidiary TransAfrika Mali S.A., located in Mali.

During the six months ended June 30, 2017, the Company incurred exploration cost, including planning and administration cost totaling \$63,303 in connection with the Rwanda and Mali Projects.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE AND SIX MONTHS ENDED JUNE 30, 2017
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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. During the six months ended June 30, the Company issued the following securities:

- On March 10, 2017, the Company issued 1,200,000 units at a price of CAD\$0.25 per unit. Each unit consists of one common share in the equity of the Company and one common share purchase warrant (the "Warrant"). Each Warrant entitles the holder to purchase one additional common share of the Company at a price of CAD\$0.30 per share for a period of five (5) years from closing, subject to a thirty (30) day accelerated expiry period, upon announcement by the Company that its shares have traded on a weighted average of \$1.00 per common share, or more, for ten (10) consecutive trading days.
- The Company closed a non-brokered private placement for the issuance of 2,860,800 units at CAD\$0.25/unit in April 2017. Each Unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of CAD\$0.30 per share for a period of five years from issuance. These warrants are subject to a thirty (30) day acceleration in the event the Company's shares trade at a weighted average of CAD\$1.00 or more for ten (10) consecutive trading days.
- 600,000 share purchase warrants were exercised into common shares on one-to-one basis at CAD\$0.90/share.

Gross proceeds raised during the six months ended June 30, 2017 was \$801,304 (CAD\$1,069,200).

(b) Stock options

In January, 2017, the Company terminated the Company's 2012 fixed option plan and the implementation of a 10% rolling option plan that is subject to the approval by applicable regulatory entity. The Company granted 519,388 options to its officers and consultants exercisable at CAD\$0.30 per share. These options vested immediately upon issuance and will expire in a period between two to five years after issuance.

Stock option continuity is as follows (Note 8):

	Number	Weighted average exercise price
Balance, December 31, 2015	132,500	CAD\$ 8.00
Issuance	1,100,000	0.20
Expired	(132,500)	8.00
Balance, December 31, 2016	1,100,000	CAD\$ 0.20
Issuance	519,388	0.30
Balance, June 30, 2017	1,619,388	CAD\$ 0.23

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4. SHARE CAPITAL (Continued)

(b) Option (continued)

The weighted average grant date fair value of stock options granted and rectified during the current six-month period was \$0.17 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 granted:

	2017	2016
Risk-free interest rate	0.64% - 1.09%	0.67%
Expected life of options	2-5 years	5 years
Annualized volatility	147 - 198%	195%
Dividend rate	0.00%	0.00%

Stock options outstanding and exercisable as at June 30, 2017 are summarized as follows:

Exercise price (CAD\$)	Number of options outstanding	Weighted average remaining contractual life (Year)	Expiry date	Number of options exercisable
0.20	1,100,000	3.83	January 29, 2021	1,100,000
0.30	258,880	1.56	October 24, 2018	258,880
0.30	260,508	4.82	January 30, 2022	260,508
	1,619,388	3.62		1,619,388

(c) Warrants

Warrants continuity is as follows:

	Number	Weighted average exercise price
Balance, December 31, 2015	8,507,142	CAD\$ 0.13
Issuance	4,000,000	CAD\$ 0.09
Balance, December 31, 2016	12,507,142	CAD\$ 0.11
Issuance	4,060,800	CAD\$ 0.30
Exercise	(600,000)	CAD\$ 0.09
Balance, June 30, 2017	15,967,942	CAD\$ 0.16

As at June 30, 2017, the weighted average remaining life of the Company's outstanding warrants was 3.87 years.

5. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

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

	June 30, 2017	December 31, 2016
	\$	\$
Accounts payable	117,160	121,191
Accrued liabilities	169,908	196,027
Due to related parties (Note 6)	2,790	7,141
	289,858	324,359

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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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:

Six months ended June 30,	Service	2017	2016
		\$	\$
Officers and directors A company with with former officers who are current officers of the Company	Consulting	73,335	28,943
	Consulting	15,000	29,160

b) Transactions with other related parties

During the six months ended, the Company paid rent and consulting fees to a company with former officers who are current officers of the Company of \$6,745 and \$6,745 respectively.

c) 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	June 30, 2017	December 31, 2016
		\$	\$
Chief executive officer	Consulting fees	-	2,088
Chief financial officer	Consulting fees	2,790	
Former chief financial officer	Consulting fees	-	5,053
		2,790	7,141

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THREE AND SIX MONTHS ENDED JUNE 30, 2017
(Unaudited - Expressed in US dollars)

7. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

	June 30, 2017	December 31, 2016
	\$	\$
FVTPL:		
Cash	545,913	151,700

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

	June 30, 2017	December 31, 2016
	\$	\$
Non-derivative financial liabilities:		
Trade payables	117,160	121,191
Due to related parties	-	7,141
	117,160	128,332

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 and investment in guaranteed investment certificate are classified as Level 1.

8. SUBSEQUENT EVENT

The Company granted 538,080 stock options to consultants, directors, and officers with exercise price of CAD\$0.25 for a period of five years.