



DESERT GOLD VENTURES INC.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Three Months Ended March 31, 2018 and 2017

(Unaudited - Expressed in US Dollars)

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, 2018 | December 31, 2017 |
|--|------|-------------------|----------------------|
| | | \$ | \$ |
| ASSETS | | | |
| Current assets | | | |
| Cash | | 151,230 | 290,011 |
| GST receivables | | 10,374 | 9,907 |
| Prepaid | | 3,231 | 2,808 |
| | | 164,835 | 302,726 |
| Non-current assets | | | |
| Equipment | 3 | 213,309 | 220,245 |
| | | 378,144 | 522,971 |
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Accounts payable and accrued liabilities | 4 | 324,075 | 338,264 |
| Note payable | 6 | 193,889 | - |
| | | 517,964 | 338,264 |
| EQUITY (DEFICIENCY) | | | |
| Share capital | 7 | 18,785,453 | 18,396,509 |
| Accumulated other comprehensive income | | 152,818 | 141,637 |
| Reserves | 7 | 17,395,037 | 17,360,803 |
| Deficit | | (36,473,128) | (35,714,242) |
| | | (139,820) | 184,707 |
| | | 378,144 | 522,971 |

NATURE OF OPERATIONS AND GOING CONCERN (Note 1)

Approved for issuance by the board of directors on May 30, 2018

"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 | 2018 | 2017 |
|---|------|------------|------------|
| | | \$ | \$ |
| Amortization | | 5,854 | - |
| Investors and shareholders relationship | | 47,903 | - |
| Office and administration | | 5,179 | 11,462 |
| Professional and consulting fees | 8 | 190,588 | 65,825 |
| Prospecting rights and exploration | 5 | 455,077 | 28,419 |
| Rent | | 4,058 | 3,621 |
| Share-based compensation | | - | 88,860 |
| Transfer agent and listing fees | | 11,430 | 15,280 |
| Travel | | 32,446 | 11,245 |
| Loss before the following: | | (752,535) | (224,712) |
| Finance charges and foreign exchange | | (6,351) | - |
| Net loss | | (758,886) | (224,712) |
| Other comprehensive loss: | | | |
| Foreign exchange translation gain (loss) | | 11,181 | (3,269) |
| Total comprehensive loss | | (747,705) | (227,981) |
| Weighted average number of outstanding shares, basic and diluted | | 32,913,215 | 16,940,612 |
| Loss per share, basic and diluted | | (0.02) | (0.01) |

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

DESERT GOLD VENTURES INC.
CONDENSED CONSOLIDATED INTERIM 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, 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 | 1,200,000 | 226,017 | - | - | - | - | - | 226,017 |
| Subscription received | - | 431,320 | - | - | - | - | - | 431,320 |
| Share-based compensation | - | - | - | - | 88,860 | - | - | 88,860 |
| Translation between functional and reporting currency | - | - | - | - | - | (3,269) | - | (3,269) |
| Income (loss) for the period | - | - | - | - | - | - | (224,712) | (224,712) |
| March 31, 2017 | 18,113,945 | 17,261,304 | 13,755,601 | 486,301 | 2,763,466 | 195,224 | (34,115,196) | 346,700 |
| December 31, 2017 | 31,836,840 | 18,396,509 | 13,755,601 | 649,166 | 2,956,036 | 141,637 | (35,714,242) | 184,707 |
| Share issuance for cash | 2,152,750 | 388,944 | - | 34,234 | - | - | - | 423,178 |
| Translation between functional and reporting currency | - | - | - | - | - | 11,181 | - | 11,181 |
| Income (loss) for the period | - | - | - | - | - | - | (758,886) | (758,886) |
| March 31, 2018 | 33,989,590 | 18,785,453 | 13,755,601 | 683,400 | 2,956,036 | 152,818 | (36,473,128) | (139,820) |

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, | 2018 | 2017 |
|--|------------------|------------------|
| | \$ | \$ |
| OPERATING ACTIVITIES | | |
| Loss for the period | (758,886) | (224,712) |
| Adjustments for non-cash items: | | |
| Amortization | 5,854 | - |
| Share-based compensation | - | 88,860 |
| Changes in non-cash working capital items: | | |
| GST receivables | (467) | (3,187) |
| Prepaid | (423) | (18,766) |
| Accounts payable and accrued liabilities | (6,455) | (11,193) |
| Cash used in operating activities | (760,377) | (168,998) |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of a promissory note | 193,889 | - |
| Proceeds from share issuance | 423,177 | 657,337 |
| Cash provided by financing activities | 617,066 | 657,337 |
| Effect of foreign exchange rate on cash | 4,530 | (3,269) |
| Increase (decrease) in cash | (138,781) | 485,070 |
| Cash, beginning of period | 290,011 | 151,700 |
| Cash, end of period | 151,230 | 636,770 |

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, 2018 AND 2017
(Unaudited - Expressed in US dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Desert Gold Ventures Inc. (the “Company”) is an exploration stage company and is engaged in the acquisition, exploration and development of mineral resource properties. The principal business of the Company is conducting mineral property exploration in Mali, Senegal and Rwanda. The Company’s shares are traded on the TSX Venture Exchange (the “TSX-V”) under the symbol DAU.

The head office and principal address is located at 4770-72nd Street, Delta, BC Canada.

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 March 31, 2018, the Company had not advanced its property 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 there from and/or raise equity capital or borrowings 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 operating costs over the next twelve months with loans from directors and companies controlled by directors and or private placement of common shares. Should the Company be unable to continue as a going concern, the net realizable value of its assets may be materially less than the amounts on its consolidated statement of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES

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 recent year ended December 31, 2017.

The condensed consolidated interim financial statements of the Company for three months ended March 31, 2018 and 2017 were reviewed by the Audit Committee and approved and authorized for issue by the Board of Directors on May 30, 2018.

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. The consolidated financial statements are presented in US dollars, unless otherwise specified.

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation and presentation (continued)

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, 2018 | December 31, 2017 |
| 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% |
| DesertGold Mali S.A.R.L. | Mali | 100% | 100% |

Adoption of new accounting policies

The Company has not adopted new accounting policies since its recent year ended December 31, 2017 except the adoption of IFRS 9, commencing January 1, 2018:

IFRS 9 "Financial Instruments" is a partial replacement of IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 introduces new requirements for the classification and measurement of financial assets, additional changes relating to financial liabilities, a new general hedge accounting standard which will align hedge accounting more closely with risk management. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39.

The adoption of this standard has no impact on its financial statements.

3. EQUIPMENT

| | Drilling equipment | Office equipment | Furniture and fixtures | Total |
|---------------------------------|-----------------------|---------------------|---------------------------|------------|
| Cost: | | | | |
| At December 31, 2017 | \$ 150,000 | \$ 43,082 | \$ 41,044 | \$ 234,126 |
| Effect of foreign exchange rate | (1,082) | - | - | (1,082) |
| At March 31, 2018 | \$ 148,918 | \$ 43,082 | \$ 41,044 | \$ 233,044 |
| Amortization: | | | | |
| At December 31, 2017 | \$ - | \$ 7,109 | \$ 6,772 | \$ 13,881 |
| Charge for the period | - | 2,998 | 2,856 | 5,854 |
| At March 31, 2018 | \$ - | \$ 10,107 | \$ 9,628 | \$ 19,735 |
| Net book value: | | | | |
| At December 31, 2017 | \$ 150,000 | \$ 35,973 | \$ 34,272 | \$ 220,245 |
| At March 31, 2018 | \$ 148,918 | \$ 32,975 | \$ 31,416 | \$ 213,309 |

DESERT GOLD VENTURES INC.
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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4. ACCOUNT PAYABLES AND ACCRUED LIABILITIES

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

| | March 31, 2018 | December 31, 2017 |
|------------------------------|-----------------------|--------------------------|
| Trade payable (Note 7) | \$ 301,819 | \$ 318,334 |
| Accrued liabilities (Note 7) | 22,256 | 19,930 |
| | \$ 324,075 | \$ 338,264 |

5. EXPLORATION AND EVALUATION ASSETS

The Company is an exploration stage Company which holds mineral property interests 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 resource properties in Mali and Rwanda.

Rwanda Project

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

On December 13, 2016 the Rwandan government issued the Company a commercial gold mining license, valid for a period of 10 years with an option to renew, which covers a 375 hectare block.

Mali Projects

The Company has the Farabantourou exploration, Djimbala, and Segala Quest Project permits through its subsidiary TransAfrika Mali S.A., located in Mali. The Farabantourou exploration permit and the Segala West permit expired during the year ended December 31, 2017. Management is in the process of the renewal application. Additionally, the expiry date of the Djimbala permit is December 30, 2018 and is non-renewable.

In 2017, the Company incurred exploration cost, including planning and administration cost, of \$40,118 for the Rwanda project and \$822,310 for the Mali Projects; totaling \$862,428 (2016 - \$47,742).

6. NOTES PAYABLE

On January 23, 2018, the Company executed a promissory note of CAD\$150,000 plus a flat fee of 5% (CAD\$7,500), to a relative of the CEO of the Company. The loan is non-interest bearing, unsecured and due 45 days from the effective date. On March 5, 2018, the principal amount plus the flat fee was converted into an obligation to issue 630,000 units at \$0.25 per unit (Note 7).

On March 6, 2018, the Company executed a promissory note of CAD\$250,000 (or US\$193,889) plus a cash fee of 2%. The loan is interest bearing at 10% per annum, unsecured and due 60 days from the effective date.

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
THREE MONTHS ENDED MARCH 31, 2018 AND 2017
(Unaudited - Expressed in US dollars)

7. SHARE CAPITAL

(a) Share capital

Authorized share capital

Unlimited number of common 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.

Issued share capital

During the quarter ended March 31, 2018, the Company issued 2,152,750 units at a price of CAD\$0.25 per unit for gross proceeds of CAD \$538,187 (USD \$425,549). Each unit consists of one common share and one common share purchase 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 years from closing subject to a 30 days acceleration clause, at the Company's election, when the Company's shares have traded on a volume weighted average basis of CAD\$0.60 or more per share for at least ten consecutive trading days.

The Company applied residual method to account for the issuance of warrants and has recorded CAD \$43,055 (USD \$34,043) to the reserve.

The Company paid CAD\$3,000 and issued 12,000 share purchase warrants as finders' fees

(b) Stock options

Stock option continuity is as follows:

| | Number | Weighted average exercise price |
|--|-----------|---------------------------------|
| Balance, December 31, 2016 | 1,358,880 | CAD\$ 0.20 |
| Granted | 1,533,700 | 0.26 |
| Balance, December 31, 2017 and March 31, 2018 | 2,892,580 | CAD\$ 0.24 |

Stock options outstanding and exercisable as at March 31, 2018 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 | 3.08 | January 29, 2021 | 1,100,000 |
| 0.30 | 258,880 | 0.81 | October 24, 2018 | 258,880 |
| 0.30 | 260,508 | 4.03 | January 10, 2022 | 260,508 |
| 0.25 | 538,880 | 4.64 | July 26, 2022 | 538,880 |
| 0.25 | 735,112 | 4.86 | November 8, 2022 | 735,112 |
| | 2,892,580 | | | 2,892,580 |

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7. SHARE CAPITAL (continued)

(c) Warrants

Warrants continuity is as follows:

| | Number | Weighted average exercise price |
|--|-------------|---------------------------------|
| Balance, December 31, 2016 | 12,507,142 | CAD\$ 0.11 |
| Issuance | 7,450,900 | CAD\$ 0.30 |
| Exercise | (7,502,142) | CAD\$ 0.09 |
| Balance, December 31, 2017 | 12,455,900 | CAD\$ 0.24 |
| Issuance of finders' warrant | 12,000 | CAD\$ 0.30 |
| Issuance of warrants for private placement | 2,152,750 | CAD\$ 0.30 |
| Balance, March 31, 2018 | 14,620,650 | CAD\$ 0.25 |

As at March 31, 2018, the weighted average remaining life of the Company's outstanding warrants was 3.95 years.

Details of warrants outstanding as at March 31, 2018 are as follows:

| Exercise price | Expiration Date | Number of warrants outstanding |
|----------------|--------------------|--------------------------------|
| CAD\$ 0.50 | January 8, 2020 | 800,000 |
| CAD\$ 0.09 | November 20, 2020 | 1,405,000 |
| CAD\$ 0.09 | August 11, 2021 | 2,800,000 |
| CAD\$ 0.30 | March 10, 2022 | 1,200,000 |
| CAD\$ 0.30 | July 5, 2022 | 100,000 |
| CAD\$ 0.30 | July 5, 2022 | 2,760,800 |
| CAD\$ 0.30 | September 19, 2022 | 2,000,000 |
| CAD\$ 0.30 | October 10, 2022 | 1,390,100 |
| CAD\$ 0.30 | March 26, 2023 | 2,164,750 |
| | | 14,620,650 |

8. 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, | 2018 | 2017 |
|------------------------------|---------|----------|
| Consulting fees | 55,483 | \$16,996 |
| Performance bonus | 106,650 | - |

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NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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8. RELATED PARTY TRANSACTIONS (Continued)

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 (Note 4) included the following balances owing to related parties.

| Due to Related parties | Nature | March 31, 2018 | December 31, 2017 |
|--------------------------------|-----------------|---------------------------|------------------------------|
| Chief financial officer | Consulting fees | \$ 950 | \$ 1,004 |
| Former Director | Consulting fees | - | 2,088 |
| Former Chief financial officer | Consulting fees | - | 3,189 |
| | | \$ 6,281 | \$ 6,281 |

9. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

| | March 31, 2018 | December 31, 2017 |
|---|-----------------------|--------------------------|
| Cash (fair value through profit and loss) | \$151,230 | \$290,011 |
| Trade payables (amortized cost) | \$301,819 | \$318,334 |
| Note payable (amortized cost) | \$193,889 | - |

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 note payable, 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 classified as Level 1.

10. SUBSEQUENT EVENTS

In May 2018, the Company granted 845,000 stock options to consultants, directors, and officers at CAD\$0.25 per share which will expire five years from the date of grant if unexercised.

On May 23, 2018, the Company issued 4,316,668 units at CAD0.15 per unit. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of CAD \$0.20 per share for a period of 2 years from the closing of the financing.