Bullion Gold Resources Corp.

Condensed Consolidated Interim Financial Statements

For the Six Months Ended June 30, 2016 and 2015

(Unaudited - Expressed in Canadian dollars)

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Tables of Contents **Page**

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The accompanying unaudited condensed consolidated interim financial statements of Bullion Gold Resources Corp. for the six months ended June 30, 2016 and 2015 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the consolidated interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the condensed interim consolidated financial statements by an entity's auditor.

/s/ Dominic Verdejo

Dominic Verdejo, Chief Executive Officer
Vancouver, BC Canada
August 29, 2016

/s/ Randy Minhas

Randy Minhas, Chief Financial Officer
Vancouver, BC Canada
August 29, 2016

Bullion Gold Resources Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited - Expressed in Canadian Dollars)

	Notes	**June 30, 2016**	December 31, 2015
ASSETS			
Current Assets			
Cash		**$ 312**	$ 8,429
Accounts receivable		**13,825**	9,740
Total current assets		**14,137**	18,169
Non-current assets			
Reclamation deposits	4	**3,500**	3,500
TOTAL ASSETS		**$ 17,637**	$ 21,669
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	7	**$ 51,400**	$ 902,725
Loans payable	7	**57,716**	22,114
Due to related parties	7	**141,750**	97,637
TOTAL LIABILITIES		**250,866**	1,033,318
SHAREHOLDERS' DEFICIENCY			
Share capital	6	**6,338,968**	5,553,889
Contributed surplus		**883,559**	883,589
Deficit		**(7,455,786)**	(7,438,285)
TOTAL SHAREHOLDERS' DEFICIENCY		**(233,229)**	(1,000,807)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY		**$ 17,637**	$ 21,669

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the Board:

/s/ Peter Ball — Director

/s/ Dominic Verdejo — President, CEO and Director

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

Bullion Gold Resources Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Comprehensive Loss

(Unaudited - Expressed in Canadian Dollars)

	Notes	Three Months Ended June 30, **2016**	Three Months Ended June 30, 2015	Six Months Ended June 30, **2016**	Six Months Ended June 30, 2015
Operating expenses					
Depreciation		**$ -**	$ -	**$ -**	$ 506
Consulting fees		**-**	62,500	**-**	175,000
Management fees	7	**22,500**	10,000	**45,000**	36,000
Office expenses		**83**	490	**295**	499
Professional fees		**100**	7,800	**6,034**	7,800
Regulatory fees		**8,123**	3,834	**15,548**	9,542
Total Operating Expenses		**30,806**	84,624	**66,877**	230,567
Interest income		**-**	-	**-**	(10)
Gain on settlement of debt		**(49,376)**	(52,409)	**(49,376)**	(52,409)
Net and Comprehensive Income (Loss)		**$ 18,570**	$ 32,215	**$ (17,501)**	$ 178,148
Basic and Diluted Income (Loss) per share		**$ 0.01**	$ (0.00)	**$ (0.01)**	$ (0.01)
Weighted average number of shares outstanding					
Basic and Diluted		**3,337,085**	18,093,048	**3,016,897**	17,660,313

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

Bullion Gold Resources Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Shareholders' Deficiency

(Unaudited - Expressed in Canadian Dollars)

	Share Capital (Number)		Share Capital		Contributed Surplus		Accumulated Deficit		Total
December 31, 2014	**1,780,509**	**$**	**5,430,787**	**$**	**883,589**	**$**	**(7,336,703)**	**$**	**(1,022,327)**
Shares issued for debt settlement	131,021		13,102		-		-		13,102
Net loss for the period	-		-		-		(178,148)		(178,148)
June 30, 2015	**1,911,530**	**$**	**5,443,889**	**$**	**883,589**	**$**	**(7,514,851)**	**$**	**(1,187,373)**
December 31, 2015	**3,011,531**	**$**	**5,553,889**	**$**	**883,589**	**$**	**(7,438,285)**	**$**	**(1,000,807)**
Shares issued for debt settlement	9,875,136		785,079		-		-		**785,079**
Net loss for the period	-		-		-		(17,501)		**(17,501)**
June 30, 2016	**12,886,667**	**$**	**6,338,968**	**$**	**883,589**	**$**	**(17,501)**	**$**	**(17,501)**

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

Bullion Gold Resources Corp.

(An Exploration Stage Company)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - Expressed in Canadian Dollars)

	Six Ended June 30, 2016	2015
Cash flows from operating activities		
Net loss for the period	$ **(17,501)**	$ (178,148)
Adjustments for items not affecting cash		
Depreciation	**-**	69
Gain on settlement of debt	**(49,376)**	(52,409)
	(66,877)	(230,488)
Changes in non-cash working capital items		
Accounts receivable	**(4,085)**	(10,716)
Accounts payable and accrued liabilities	**(11,938)**	200,791
Due to related parties	**44,113**	30,807
Cash used in operating activities	**(38,787)**	(9,606)
Cash flows from investing activity		-
Cash provided by financing activity		
Proceeds from loans	**35,602**	5,000
Share issuance costs	**(4,932)**	-
Cash provided by financing activities	**30,670**	5,000
Increase (decrease) in cash for the period	**(8,117)**	(4,606)
Cash, beginning of period	**8,429**	5,266
Cash, end of period	$ **312**	$ 660

Supplementary cash flow information

Cash paid during the period for interest	$ **-**	$ -
Cash paid during the period for income taxes	$ **-**	$ -
Shares issued in debt settlement	$ **790,011**	$ 13,102

1. NATURE OF OPERATIONS AND GOING CONCERN

Bullion Gold Resources Corp. (the "Company") was incorporated under the laws of the Province of Alberta on March 30, 2005. On February 1, 2016 the Company ceased to be an Alberta corporation and continued into British Columbia. The principal business activity of the Company became the acquisition and exploration of resource properties. The Company is engaged in the exploration and development of mineral properties in British Columbia and has not yet determined whether its properties contain ore reserves that are economically recoverable.

The head office and principal address of the Company is 510 – 744 West Hastings Street, Vancouver, British Columbia, Canada, V6C 1A1. The Company's registered and records office is 1750 – 1185 West Georgia Street, Vancouver, British Columbia, V6E 4E6.

On April 18, 2016, the Company completed a share consolidation on the basis of ten pre-consolidation common shares for each post-consolidation share. Upon approval by the TSX-V, the Company began trading under the existing symbol "BGD.V" on April 29, 2016. As such, all current and comparative share amounts have been restated to account for the ten to one common share consolidation.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which presume the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company currently has no revenues from operations. The operations of the Company have been funded by equity financings through the issuance of common shares. The ability of the Company to arrange additional financing in the future depends in part, on the prevailing capital market conditions and mineral property exploration success.

The Company incurred a net loss of $17,501 for the six months ended June 30, 2016 (2015 - $178,148) and had a working capital deficit at June 30, 2016 of $236,729 (December 31, 2015 - $1,004,307) and a deficit of $7,455,786 (December 31, 2015 - $7,438,285).

As at June 30, 2016 the Company does not have sufficient cash to meet minimum general administration expenses for the year ending December 31, 2016. This material uncertainty casts significant doubt upon the ability of the Company to continue as a going concern. The Company plans to secure additional funds as required through future equity financings.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION

a) Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The condensed consolidated interim financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with IFRS as issued by the IASB.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 29, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES AND BASIS OF PRESENTATION (Continued)

b) Basis of Consolidation

These unaudited condensed consolidated interim financial statements follow the same accounting policies and methods of application as the annual audited consolidated financial statements for the year ended December 31, 2015, with the exception of the following new accounting standard and amendments which the Company adopted and are effective for the Company's interim and annual consolidated financial statements commencing January 1, 2016.

- IAS 1: Amendments that enhance financial statement disclosures and presentation.

These condensed consolidated interim financial statements include the accounts of the Company and its wholly owned subsidiary. All inter-company transactions and balances are eliminated on consolidation.

	Jurisdiction	Nature of Operations	Ownership 2016	Ownership 2015
Bullion Gold Corp. (“Bullion”)	British Columbia (“B.C.”), Canada	Exploration	100%	100%

The financial statements of the subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Inter-company balances and transactions, and any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the condensed consolidated interim financial statements.

c) Basis of Measurement

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for financial instruments that have been measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

d) Foreign Currencies

The presentation currency and the functional currency of the Company and its subsidiary is the Canadian dollar.

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date of the statement of financial position. Non-monetary items are measured using historical rates.

3. FUTURE ACCOUNTING PRONOUNCEMENT NOT YET ADOPTED

The following standards and interpretations have not been in effect as they will only be applied for the first time in future periods. They may result in consequential changes to the accounting policies and other note disclosures. The Company has not yet assessed the impact of the standards or determined whether it will adopt the standards early.

- IFRS 9: New standard that replaces IAS 39 for classification and measurement, effective for annual periods beginning on or after January 1, 2018
- IFRS 16: New standard that replaces IAS 17 with a new approach to lease accounting that requires a lessee to recognize assets and liabilities for the rights and obligations created by leases, effective for annual periods beginning on or after January 1, 2019

4. RECLAMATION DEPOSIT

The Company posted a deposit with the B.C. Ministry of Finance as security towards future site restoration work which will be released to the Company upon satisfactory completion of that work. The deposit has been posted in relation to the Cariboo properties in B.C.

5. EXPLORATION AND EVALUATION ASSETS

Bullion Gold Corp. Property, Cariboo Mining Division, British Columbia, Canada

In July 2006, the Company entered into an agreement to acquire a 100% interest in the Cariboo Goldfields property which consists of certain claims located in the Cariboo mining division from a group of individuals, one of which was a former director of the Company, in consideration for $100,000 and 1,333,333 common shares of the Company valued at a total of $3. The claims are subject to a 1% net smelter return royalty ("NSR") and certain claims are subject to a 2% NSR. The Company agreed to pay a former director of the Company an annual advance royalty of $50,000 on each anniversary of the date of the agreement, the aggregate of which is deducted from any NSR payable. The Company reviewed the terms of the advance royalty agreement and determined that the advance royalty payments are unenforceable and as a result, has written-off the amounts due to the former director of the Company against exploration and evaluation assets in the amount of $101,963 during the year ended December 31, 2012.

In April 2011, the Company entered into, through its wholly owned subsidiary (Bullion Gold Corp.), an earn-in option agreement with Newmont Canada Corporation ("Newmont"), a subsidiary of Newmont Mining Corp., in relation to the Company's Tac Property. The Agreement encompasses claims, comprising 16,180 hectares, within the boundary of the Bullion Property, which is within the Company's Cariboo Goldfields Property.

The Agreement called for a 2 phase earn-in process. Phase 1 consists of a 5 year, $2,500,000 minimum aggregate work expenditure for Newmont to earn a 51% interest with a minimum first year commitment of $100,000 (incurred). The Agreement also provides the Company cash payments in the aggregate of $375,000 by Newmont annually over the Phase 1 earn-in, with the minimum first year payment of $15,000 (received). During the first quarter of 2013, the Company received an additional $45,000 option payment.

In October of 2013, Newmont informed the Company they are discontinuing their Phase 1 earn-in. The Company is currently reviewing all options, including additional earn-in agreements.

(Unaudited - Expressed in Canadian Dollars)

During the six months ended June 30, 2016 and 2015, the Company did not complete any exploration work.

6. SHARE CAPITAL

a) Authorized:

Unlimited number of common shares without par value.

b) Issued:

During the six months ended June 30, 2016

On June 27, 2016 the Company completed a shares for debt settlement by issuing 9,875,136 common shares in settlement of $839,387 in accounts payable, realizing a debt settlement gain of $49,376. All shares are subject to escrow over a three-year release schedule. The Company paid $4,932 ion share issue costs.

During the year ended December 31, 2015

On June 10, 2015, the Company completed a shares for debt settlement by issuing 1,310,218 common shares in settlement of $65,511 in accounts payable.

On August 20, 2015, the Company issued 1,100,000 common shares at a price if $0.10 per common shares for total proceeds of $110,000.

c) Escrow shares

As at June 30, 2016, the Company had 9,875,136 common shares held in escrow (December 31, 2015 – 211,347)

d) Warrants

There were no changes in the warrants during the six months ended June 30, 2016 and the year ended December 31, 2015.

The Company had outstanding share purchase warrants as at June 30, 2016 as follows:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
70,193	$ 0.50	November 27, 2016

As at June 30, 2016, the weighted average remaining contractual life of the share purchase warrants was 0.41 years (December 31, 2015 – 0.91 years) and the weighted average exercise price was $0.50 (December 31, 2015 - $0.50).

(Unaudited - Expressed in Canadian Dollars)

6. SHARE CAPITAL (Continued)

e) Share Options

The Company has adopted an incentive share option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of shares of the Company exercisable pursuant to options granted under the Plan may not exceed 10% of the issued and outstanding shares at the date of the
grant. Options granted under the Plan may have a maximum term of ten years. The exercise price of options granted under the Plan will not be less than the discounted market price of the shares (defined as the last closing market price of the Company's shares immediately preceding the grant date, less the maximum discount permitted by TSX.V policy), or such other price as may be agreed to by the Company and accepted by the TSX.V. Options vest on terms determined by the directors and may be vested immediately on the grant date. Share options granted to consultants providing investor relations activities under the Plan are subject to minimum vesting restrictions such that one-quarter of the option shall vest on each of the grant date and three, six and twelve months thereafter.

A summary of the changes in share options during the six months ended June 30, 2016 and the year ended December 31, 2015 is as follows:

	SHARE OPTIONS		WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding, December 31, 2014	151,666		2.10
Expired	(6,667)		5.40
Cancelled	(98,333)		2.20
Options outstanding, December 31, 2015	46,666	$	1.20
Expired	(6,666)		5.40
Options outstanding, June 30, 2016	**40,000**	**$**	**0.50**

The Company had outstanding and exercisable share options as at December 31, 2015 as follows:

NUMBER OF OPTIONS OUTSTANDING	NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
40,000	40,000	$ 0.50	January 2, 2019

As at June 30, 2016, the weighted average remaining contractual life of the options was 2.51 years (December 31, 2015 – 2.59 years), and the weighted average exercise price was $0.50 (December 31, 2015 - $1.20).

7. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

At June 30, 2016, $3,137 (December 31, 2015 - $3,137) is due to a company controlled by a former director related to exploration work, $94,500 (December 31, 2015 - $78,750) is due to a company that the current CFO is President and Director of related to management fees, and $47,250 (December 31, 2015 - $15,750) is due to the current CEO related to management fees.

(Unaudited - Expressed in Canadian Dollars)

7. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS (Continued)

Key Management Compensation

During the six months ended June 30, 2016 and 2015 the compensation shown below was paid or accrued to the Company's CEO and CFO:

	SIX MONTHS ENDED JUNE 30, **2016**	2015
Management fees	**$ 45,000**	$ 36,000

Loans Payable

During the year, the Company entered into several loan agreements that are all due on demand and have no other terms or conditions attached, including no interest. Included in the loans are loans by a Company in which the CFO is a director, $7,411 (December 31, 2015 - $7,411) and loans by the CEO, $12,559 (December 31, 2015 - $Nil)

		JUNE 30, 2016		**DECEMBER 31, 2015**
Balance, beginning of the period	**$**	**22,114**	$	17,114
Additions		**35,602**		5,000
Balance, end of the period	**$**	**57,716**	$	22,114

8. CAPITAL MANAGEMENT

The Company includes cash and equity, comprising issued common shares, subscriptions received and share-based payment reserve, in the definition of capital.

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

The properties in which the Company currently has an interest are in the exploration stage; and as such the Company is dependent upon external financings to fund activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed.

The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

The Company is not subject to externally imposed capital requirements.

9. RISK MANAGEMENT

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of potential loss to the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations. The Company's credit risk is limited to the carrying amount on the statement of financial position and arises from the Company's cash, accounts receivables and reclamation bond. The Company's cash is held in a Canadian chartered bank, which is a high-credit quality financial institution. The Company's receivables primarily consist of sales tax rebates due from the Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at June 30, 2016, the Company had a cash balance of $312 to settle current liabilities of $250,866. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Market risk

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

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

Foreign currency rate risk

The Company has a loan payable denominated in US dollars. As a result, currency exchange fluctuations may impact the costs or our operations. A 10% increase/decrease in the foreign exchange rate would result in a trivial impact on the Company's net loss.

Sensitivity analysis

The carrying value of cash, receivables, accounts payable and accrued liabilities, loans payable and due to related parties, approximate their fair values due to the relatively short periods to maturities of these financial instruments.

10. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year. The reclassifications had no impact on the net loss, deficit accumulated or the cash flows as previously reported.