##### TAIGA GOLD CORP.

##### CSE FORM 2A LISTING STATEMENT

##### April 27, 2021

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**INTRODUCTION**

##### Information contained in this Listing Statement is given as of April 27, 2021, unless otherwise specifically stated.

## CORPORATE STRUCTURE

### Corporate Name

The full corporate name of the Issuer is **"Taiga Gold Corp."** The registered office of Taiga is located at Third Floor, 14505 Bannister Road S.E., Calgary, Alberta, T2X 3J3 and the principal office of Taiga is located at Suite 200, 44 - 12th Avenue South, Cranbrook, British Columbia, VlC 2R7.

### Incorporation

Taiga was incorporated under the *Business Corporations Act* (Alberta) on September 28, 2017, as the wholly owned subsidiary of Eagle Plains Resources Ltd. **("Eagle Plains").**

### Inter-corporate Relationships

##### Taiga does not have any subsidiaries.

### No fundamental changes.

### Incorporation outside Canada

##### Taiga is not incorporated outside of Canada.

## GENERAL DEVELOPMENT OF THE BUSINESS

### General Development of the Business

##### Taiga has continued to promote its projects and has two properties optioned. The Company has raised funds through private placement financings to provide working capital and exploration funding. The Company has completed exploration programs on its properties and made claim acquisitions to expand and consolidate its holdings.

### Significant Acquisitions and Dispositions

##### There have been no significant acquisitions or dispositions.

### Trends, Commitments, Events or Uncertainties

##### At time of writing, the effects of the COVID-19 crisis are unfolding rapidly, with the global health and economic outcomes still not understood. Immediately as the ramifications of the coronavirus situation began to be understood, Taiga’s management turned its attention to the health and welfare of its employees, contractors and consultants. Our office doors are locked, though work continues from home for most staff and management. New initiatives are being announced daily by government, which have the potential to profoundly influence our activities going forward. Examples of this are the recent declaration that mineral exploration is considered an “essential service” in British Columbia and also that assessment relief has been granted for mineral titles in Saskatchewan, our main area of activity.

##### Management is not aware of any other trend, commitment, event or uncertainty that might reasonably be expected to have a material effect on the Issuer's business, financial condition or results of operation.

## NARRATIVE DESCRIPTION OF THE BUSINESS

### Description of the Business General

##### The principal business activity intended to be carried on by Taiga will be mineral exploration and, depending on the results of exploration, the development of its mineral exploration projects.

##### Business Objectives

##### Taiga's business object for the following 12-month period will be to focus on the exploration and development of its mineral properties, as more specifically set out below in 4.3 - Issuers with Mineral Projects".

##### Milestones

##### SSR Mining Inc. completed its 80% earn-in on the Fisher property and paid Taiga $3M.

##### Taiga completed two option agreements, on the Leland and SAM.

##### Taiga competes $1.4M Financing and $2.5M FT financing.

##### Total Funds Available

##### As of December 31, 2020, Taiga had working capital of approximately 738,000.

##### Taiga received $3M option payment from SSR Mining re Fisher option

##### A financing for $2.5M was completed in April 2021.

##### Principal Purposes for Available Funds

##### The following table summarizes expenditures anticipated by Taiga based on current plans required to achieve its business objectives during the forthcoming 12 month period.

|  |  |
| --- | --- |
| Expenditures on Fisher JV | $ 600,000 |
| Expenditures on Orchid Project | 1,000,000 |
| Expenditures on Mari Lake | 100,000 |
| General and administrative (1) | 300,000 |
| Public company costs | 35,000 |
| Professional fees | 65,000 |
| Corporate development: | 300,000 |
| Total: | $2,400,000 |

##### The funds available for ongoing operations will be sufficient to meet Taiga's administration costs for the next 12 months.

##### Taiga will spend the Available Funds as set out above. There may be circumstances, however, where, for sound business reasons, a reallocation of funds may be necessary.

##### Principal Products or Services Not applicable to Taiga.

##### Production and Sales Not applicable to Taiga

##### Competitive Conditions

##### Significant and increasing competition exists for mining opportunities domestically and internationally. There are a number of large established mining companies with substantial capabilities and far greater financial and technical resources than Taiga. Taiga may be unable to acquire additional attractive mining properties on terms it considers acceptable and there can be no assurance that Taigas' exploration and acquisition programs will yield any reserves or result in any commercial mining operation.

##### Lending and Investment Policies and Restrictions Not applicable to Taiga.

##### Bankruptcy and Receivership

##### Taiga has not been the subject of any bankruptcy or any receivership or similar

##### proceedings against Taiga or any voluntary bankruptcy, receivership or similar proceedings by Taiga since its incorporation in 2017.

##### Material Restructuring

##### Taiga has not been subject to any material restructuring transactions since its incorporation in 2017.

##### Social and Environmental Policies

##### Although it has not implemented a formal environmental policy, Taiga intends to comply with all environmental laws, rules and regulations applicable to its mineral exploration and development activities. Taiga does not have a formal social policy.

### Asset Backed Securities

##### Taiga does not have any asset backed securities.

### Issuers with Mineral Projects

##### Projects held by Taiga are listed below.

|  |  |  |
| --- | --- | --- |
| Property | Area (Ha) | Description |
| Chico | 4,656 | Gold property adjacent to the Seabee |
|  |  | Mine (south). Under option to Aben |
|  |  | Resources Ltd. |
| Fisher | 33,171 | Gold property adjacent to the Seabee |
|  |  | Mine. Under option to SGO Mining Inc. |
| Leland | 9,392 | Grassroots property near LaRonge, Sk |
|  |  | Precious-metals project. |
| Orchid | 11,179 | Gold-silver property with several known |
|  |  | showings. |
| SAM | 1,004 | Grassroots property near LaRonge, Sk |
|  |  | Gold-copper property. |
| Mari Lake | 5,905 | Grassroots property near Flin Flon, MB |
|  |  | Gold-copper property. |
|  |  |  |

##### Two of the properties, the Orchid and the Fisher are considered to be material to Taiga Gold Corp. and are described in detail below.

### Chico

On **December 9, 2016, Eagle Plains entered into an option agreement (subsequently** transferred from Eagle Plains to Taiga per the Plan of Arrangement) **with Aben Resources Ltd. (“Aben”)** whereby Aben has the exclusive right to earn an undivided 80% interest in the **Chico** Gold Project located in Saskatchewan and south of SGO Mining Inc.’s Seabee/Santoy mine complex. Aben may earn an initial 60% interest by incurring $1,500,000 in exploration expenditures, issuing 1,500,000 common shares and making cash payments totalling $100,000 over 4 years.  Upon earning this 60% interest, Aben may elect to exercise a second option to earn a further 20% interest within 90 days by making a $50,000 cash payment and issuing 1,000,000 common shares to EPL , and incurring an additional $2,000,000 in exploration expenditures within two years of the date of election.

The 4,716 ha Chico property is a highly prospective precious-metal exploration project. The core claims were acquired in 2015, with additional claims added in 2016 and, in 2017 EPL acquired 6 additional mineral dispositions for a total area of 1,799 ha located adjacent to the original holdings through a combination of staking and the completion of a purchase agreement with V. Mitchell (an unrelated third-party vendor) whereby Mr. Mitchell received a combination of $10,000 cash and 100,000 common shares of Eagle

Plains at a deemed price of $0.15 per share. These specific dispositions will be subject to a 1% NSR which includes a buy-down provision. All additional tenures are expected to be included in the current option agreement with Aben and therefore subject to the terms and conditions of that agreement.

A comprehensive data compilation of historic work was conducted in the summer of 2016 by EPL. This work was followed by a ground-based exploration program and an airborne geophysical survey.  This work guided an I.P. geophysical survey in 2017 which determined the responses associated with known surface gold mineralization at the Chico/Royex and Western structural trends. These were used to refine future drill targets.  Results of this work revealed in general that known surface mineral showings tend to have relatively small IP anomaly signatures with chimney-like geometries that appear to expand in size and strength with depth and that mineralization potentially increases below depths of 75 to 125m vertical.

### Project Highlights

* Excellent geology favourable for gold deposits
* Significantly underexplored with encouraging early results
* On-trend with the currently producing Seabee Mine
* Multiple Au showings associated with favourable geology
* Numerous high-grade Au showings focused along a major structure

Based on the interpretation of the work to date it is recommended that a 1200 - 1600m drill program be carried out to test the sub-vertical projections of known surface geochemical and geological targets at, or below depths of 125m, into elevated zones of chargeability.

On March 23, 2018, the Company and Aben made the decision to suspend the planned and permitted drill program as a result of a request by the citizens of the community of Pelican Narrows and members of the Peter Ballantyne Cree Nation. As a result, the option agreement has been placed in force majeure and all future payments are suspended. Aben may revisit plans to explore the property in the future, following meaningful consultation with the community and PBCN members. The Company has been carrying on consultations with the Pelican Narrows indigenous community with encouraging results.

### Fisher

On October 5, 2016, Eagle Plains entered into an option agreement **(subsequently** transferred from Eagle Plains to Taiga per the Plan of Arrangement) with SSR Mining Inc. (formerly Silver Standard Resources Inc., subsequently transferred to SGO Mining Inc., a wholly-owned subsidiary) (“SGO”)whereby SGO could earn up to a 60% interest in the property, located in Saskatchewan. To earn a 60% interest over four years, SGO agreed to complete $4,000,000 in exploration expenditures, make an initial cash payment of $100,000 and make annual cash payments of $75,000. Once the 60% earn-in has been completed, SGO has a 365-day, one-time option (by agreement dated October 15, 2018 with SGO, Taiga agreed to extend the time period under the option agreement for SGO to exercise its right to acquire an additional 20% undivided interest in the Fisher property from 90 days to 365 days) to earn an additional 20% interest (for a total of 80%) by making a cash payment of $3,000,000 to Taiga, at which time an 80/20 joint-venture will be formed to further advance the property. Taiga will retain a Net Smelter Return (“NSR”) ranging from 0.5% to 2.5% depending on the location of the claims as set out in the agreement, subject to reduction on certain claims by underlying NSR agreements. Taiga’s NSR may be reduced by 1% at any time upon payment of $1,000,000 by the joint venture. In addition, Taiga will receive advance royalty payments of $100,000 annually from the joint venture until commencement of commercial production. Taiga has an agreement to pay a third party a 1% net smelter return on certain claims as described in an underlying agreement.

Acquired by EPL between 2012 and 2016, the 33,171 ha Fisher Property is located approximately 135 km ENE of La Ronge, Saskatchewan. It is centred 5 km south of the Seabee Gold Operation's Santoy Mine, owned and operated by SSR Mining (formerly Silver Standard Resources).  The claims are accessible by an all season road from the nearby Seabee Gold Operation for the deployment of heavy equipment and exploration crews. Numerous lakes and the transecting Churchill River allow for access by fixed wing float/ski equipped aircraft from Missinipe/Otter Lake, a road accessible town located approximately 100 km west of the property.

**On January 5, 2021, Taiga** received an earn-in notice from partner **SSR Mining Inc. (“SSRM”)** that it has satisfied its commitments and has exercised the second option earn-in for an 80% aggregate interest in the Fisher Project pursuant to the Option Agreement (the “Agreement”). In accordance with the Agreement, SSRM made a cash payment of $3,000,000 to Taiga. A joint venture comprised of SSR Mining (80%) and Taiga (20%) has now been formed (the “FisherJV”). Taiga is entitled to receive $100,000 annual advance royalty payment from the FisherJV.

**On February 17, 2021, Taiga** received a report from **SGO Mining Inc.**, a wholly-owned subsidiary of **SSR Mining Inc.** containing complete analytical results from 2020 drilling on the **Fisher Property:**

Drilling was carried out in two phases completed during 2020Q1 and 2020Q4 and was financed by SSRM while under option from Taiga (prior to formation of the Fisher JV). 37 holes were completed in 2020 for a total 12,976m (42,561’). Four showing areas were tested during the program, with significant high-grade mineralization discovered in four separate areas and visible gold reported in seven holes. Continuous, high-grade mineralization was delineated at the Mac North area, which is now considered a resource definition target by the Fisher JV. Significant results (>1 g/t Au) were reported in 58 separate sample intervals in 21 holes from the **Mac North, Mac North Hanging Wall, CGR West and Yin showing areas, with highlights summarized below.**

Since optioning the Fisher Property in 2016, SSRM has completed extensive systematic exploration including prospecting, soil geochemical sampling, detailed geological mapping, geophysical surveys and completed a total of 34,583m (113,461’) of drilling in 87 holes for expenditures totalling over $12,000,000, resulting in over 15,000 individual core samples. In addition, SSRM has made cash payments to Taiga and predecessor Eagle Plains of $3,800,000.

**Highlights:**

* Widespread high-grade mineralization discovered by drilling at Mac North Zone over a down-plunge area of 250m x 600m, open in all directions; resource definition drilling planned,
* New discovery made at the Yin Zone, adjacent to the Seabee Gold Operation boundary with results of 13.74 g/t Au over 2.29m\*, including 55.5 g/t Au over 0.53m (previously reported);
* Visible gold reported in 7 holes throughout the property area,
* Taiga recently received CDN$3,000,000 from SSRM upon formation of joint-venture,
* Taiga independently holds a 2.5% NSR on the majority of the Fisher property area including an annual $100,000 advance royalty payment. Certain areas subject to underlying royalties,
* Numerous high potential targets remain untested, winter drilling planned for 2021Q1

SSRM reported $3.24 million in exploration expenditures on the Fisher Property in 2020 with programs designed to target a mineral resource discovery. 2021 goals for the program are to complete resource definition drilling, further testing of areas of known mineralization and to further identify drill targets for testing evolving models in a structural setting similar to that observed at the nearby producing Santoy mine.

On March 11, 2021, Phase 1 drilling activity has commenced on the Fisher Gold Project, owned and operated by the Fisher Joint Venture (“Fisher JV”), comprised of 20% ownership by TGC and 80% by SGO Mining Inc., a wholly-owned subsidiary of SSR Mining Inc. Drilling during this campaign is expected to consist of approximately 2800m in 15 holes and will focus on defining gold mineralization at the Mac and Mac North zones.

### Leland

On **May 20, 2020, Taiga** executed an option agreement with **SKRR Exploration Inc. (“SKRR”)** whereby SKRR may earn up to a 75% interest in the **Leland** property (the “Property”) located east of La Ronge, northern Saskatchewan. Under terms of the agreement SKRR may earn its’ initial 51% interest in the property by completing exploration expenditures of $1,500,000, making cash payments of $500,000 and issuing 1,000,000 voting class common shares to Taiga over a 3 year period. Taiga will retain a 2% NSR, with a buy-down to 1% at any time upon payment to Taiga of $1,000,000. To earn the additional 24% interest in the Property, SKRR agrees to make additional exploration expenditures of $1,500,000 ($3,000,000 total) on the Property and to issue an additional 500,000 common shares of SKRR to Taiga on or before December 31, 2023.

The 11,761ha Leland Property is a highly prospective precious-metal exploration project and 100% owned by Taiga. It is accessible by fixed wing aircraft and winter road from the village of Pelican Narrows located approximately 57km SE which in turn is serviced by an airport, Hwy 135, an all-weather road, and a hydro power grid. The claims are also accessible by winter road from the nearby Seabee/Santoy mine complex for the deployment of heavy equipment and exploration crews.

There are five known mineral occurrences on the Leland Property and five additional mineral occurrences within 4 km. Gold mineralization occurs in structurally-hosted quartz veins and base-metal mineralization in shear zones.

Property highlights include numerous high-grade gold occurrences including up to 60 g/t (1.75 oz/T) gold associated with structurally-hosted quartz veins.

A $265,000 field program was completed on the project in late 2019 and consisted of an 86 line-km airborne geophysical survey, geological mapping and sampling, trenching, prospecting and detailed soil geochemical sampling. The Company reported encouraging mineralization was uncovered as a result of the three-phase geological and geophysical program.

The most significant showing area discovered on the property to date, called the Simon-Irving trend, was the subject of a drone airborne magnetic geophysical survey conducted by Zen Geomap Inc. The 86 line-kilometer survey, completed over a 2.6km x 1.5km area, utilizes an industry-innovative light and sensitive system capable of producing very high-resolution magnetic data. The magnetic data results will be used in tandem with the highly prospective historical and recent assay data to assist in the definition of future drill targets.

2019 Exploration Highlights:

* Gold mineralization grading up to 5.4 g/t Au over 0.65 m within 2.1 g/t Au over 3.22 m (channel sample) from the Irving trench along the Simon-Irving Trend.
* Discovery of 5 new gold-mineralized occurrences along the Simon-Irving trend grading between 113 ppb Au and 3.5g/t Au.
* Historical grab samples reported grading up to 60 g/t Au and 53 g/t Au.
* 86 line-km geophysical survey completed, outlining an important geologic contact along the Simon-Irving trend.
* Soil geochemical results proximal to the Leland showing (SMDI-2390) support samples collected in 2015 and delineate a new zone of anomalous soils to the west of the Leland Showing and northeast of the Simon Showing (SMDI-2388) that are targets for future follow up work.
* Recent staking by Taiga included claims overlying the Duck Lake Occurrence (SDMI 1731) covers two quartz stockwork zones within a shear with the Main Zone traced on surface for 180m. Limited historical grab sampling returned values up to 3.2 g/t Au.

A 2020 fall field program at Leland included detailed prospecting and mapping, infill and grid soil geochemical sampling, channel sampling of trenches and ground truthing of EM mag anomalies generated by 2019 drone survey. Work was focused on the Michelle/Irving area (channel sampling), the East Leland target area (systematic gridded soil sampling) and the newly discovered Irvle magnetic anomaly area (prospecting and soil sampling). An ATV trail was also constructed to provide access from the main camp to the Irving and Simon showing areas. A total of 71 rock samples (34 channel, 35 grab and 2 float) and 135 soil samples were collected and submitted for geochemical analyses. Rock sampling returned values ranging from trace quantities to a high of up to 2.1 g/t Au (grab\*) with channel sampling returning 1.1 g/t over 0.7 m. Results of soil samples ranged from trace quantities to a high of 12.6 ppb Au.  The 2020 field program was successful in verifying and extending the known strike-length exposure of several gold-bearing veins and shears within the Irving-Simon shear zone corridor. \*Rock grab samples are selective samples by nature and as such are not necessarily representative of the mineralization hosted across the property.

**On January 26, 2021, Taiga** and **SKRR** mobilized personnel in preparation for a 1600m diamond drilling program at theproject. The 2021 winter drill program will focus on testing a 1 km strike length of the gold-mineralized shear system between the Irving Lake and Simon Lake showings. This will be the first drill program to test this orogenic gold-bearing system. Targets have been prioritized based on surface rock grab and trenching results, soil geochemistry and detailed airborne (drone) magnetic survey data. Up to a total of 9 holes from 6 pads are slated for the 2021 drill program. A budget of $750,000 has been approved for the drilling.

### Orchid

The claims of the Orchid Property are 100% owned by Taiga Gold Corp. and were acquired by EPL in 2014 with additional claims added in 2016 and 2017.  The 8376ha project lies approximately 90km WNW of Flin Flon, MB and is accessible by fixed wing aircraft and winter road from the village of Pelican Narrows located approximately 16km NE, which in turn is serviced by an airport, Hwy 135 and hydro-electric power. The property is considered to hold significant potential to host gold mineralization. On February 19, 2020, the Company added 384 ha to its existing property holdings which are situated along the same structural corridor and within rocks similar to those currently being mined at the Santoy deposit.

The Orchid project was acquired as a result of an internal research program conducted during 2013-2016 for highly prospective Au projects in western Canada. In 2016, a high-resolution airborne geophysical survey was completed over the property area. A comprehensive data compilation of all historic work was completed in early 2017, providing targets to investigate during a field program in the summer of 2017 which included soil sampling in the eastern portion of the property over an untested tonalite-volcanic contact and returned prospective gold-in-soil anomalies. Other notable 2017 field results were grab samples that returned up to 61.30 g/t Au from the historical Orchid zone, and 52.43 g/t Au from Tim’s Showing. The rediscovery of the newly named Tiger Lily Showing found a 1.5 m wide quartz vein where channel sampling returning 6.17 g/t over 1.0 m including 10.11 g/t over 0.5 m. Soil geochemical sampling along strike from the Tiger Lily Showing contains highly anomalous gold (up to 847 ppb Au) in an area extending approximately 400 m from known exposures.

The property has historically been explored for its gold potential since the mid-1980s and contains numerous high-grade mineral occurrences grading from trace values to highs of 41.3 g/t (Orchid Au Zone), 19.2 g/t Au (Tim’s Showing), 12.7 g/t (Eureka), and 8.5 g/t (Terra Zone) as well as significant Ag (144.5 g/t), Cu (3.9%), and Mo (2600 ppm) - all values returned from grab samples.

In August 2018, the Company completed an airborne geophysical survey consisting of a 500 line-km high-resolution airborne (drone) magnetic survey, the results of which were combined with extensive historical surface mapping and geochemical data. Following the airborne survey, 2018 fieldwork was comprised of geologic mapping, prospecting and soil sampling. The objective of 2018 geological work was to establish drill targets for future exploration. The program concluded that the majority of strongly anomalous gold mineralized samples are spatially associated with magnetic high zones and that some of the lithological contacts appear to be prospective for gold mineralization.

Taiga has defined drill targets within 5 highly-prospective areas which have never been drill tested. These are located in the Tiger Lily, Wing Lake, Terra-Au, Tim’s, and Orchid zones. This model when applied to the entire property reveals multiple areas of interest containing coincident geochemical and magnetic trends that require follow-up. Taiga intends to advance the project to drill-ready status.

**SAM**

On **August 26, 2020, Taiga** executed an option agreement with **DJ1 Capital Corp. (“DJ1”)** whereby DJ1 may earn up to a 60% interest in the **SAM** property located east of Flin Flon, northern Saskatchewan. Under terms of the agreement DJ1 may earn 60% interest in the property by completing exploration expenditures of $4,000,000, making cash payments of $500,000 and issuing 1,000,000 voting class common shares to Taiga over a 4 year period.

The 1,004 ha SAM Property is host to the SAM Zone, a volcanogenic massive sulphide (“VMS”) polymetallic deposit with a historical (non-43-101 compliant) resource of 29,024 tonnes at 2.95% Cu. The property lies approximately 15km west of Flin Flon Manitoba and approximately 10 km northwest of both the Flexar and Birch Lake mines. The project is accessible by winter road or boat from Denare Beach to the north end of Amisk Lake where drill roads access the property. Float/ski plane can be used to access Wolverine Lake within the property. The claims are 100% owned by Taiga with no underlying royalties or encumbrances.

### Project Highlights

* Host to the SAM Zone - a VMS deposit with a historic resource\* and open to depth
* Excellent geology highly prospective for VMS and orogenic gold mineralization
* Prospective conductive trend to the east and west with limited drill testing
* Numerous gold showings with limited but encouraging shallow drill testing
* Excellent Infrastructure including drill roads and nearby smelter, rail, highway, airport, hydro

\*Taiga Gold Corp. management considers the mineral resource estimates to be historical in nature and cautions that a Qualified Person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves in accordance with National Instrument 43-101.  These estimates do not comply with current definitions prescribed by National Instrument 43-101 or the Canadian Institute of Mining, and are disclosed only as indications of the presence of mineralization and are considered to be a guide for additional work.  The historical models and data sets used to prepare these historical estimates are not available to Taiga Gold Corp., nor are any more recent resource estimates or drill information on the Property.

Historical trench sampling of the Wolverine Zone reportedly returned **24.61 g/t gold over 1.0m** (Saskatchewan Mineral Deposit Index “SMDI” 2226), while Golden Bear trenches reported values ranging from trace quantities to a high of **9.61 g/t gold over 1.55m** (SMDI 2558).

Taiga completed fieldwork on the property in 2018 including geological mapping, prospecting, rock sampling and soil geochemical surveys, focusing on targets generated by a comprehensive geological compilation of all existing historic data. Historical drill collar locations were surveyed by GPS and a total of 783 soil samples and 59 rock samples were collected. The property area was expanded by staking in 2020.

**MARI LAKE**

**In August 2020,** the **Company** acquired by staking a block of claims that cover prospective gold mineralization. The 1677 hectare **Mari Lake** claim group is located within the Trans Hudson Corridor in Saskatchewan, approximately 25 kilometers northwest of Flin Flon, Manitoba. The claims cover 2 high grade gold mineral occurrences associated with Kisseynew Group volcanics which are documented in the Saskatchewan Mineral Deposit Index (“SMDI”).

### Project Highlights

* Excellent geology favourable for mesothermal lode gold deposits
* Significantly underexplored with encouraging early results
* Mineralization open in both directions along strike and to depth
* Untested stratigraphic unit containing two high-grade gold occurrences
* Excellent Infrastructure nearby: Provincial Highway 9 km south of property boundary, Hydro

### Geology

The Mari Lake claims cover Trans Hudson Orogeny group rocks (metavolcanic, plutonic and minor metasedimentary). This stratigraphy is favourable for precious- and base-metal exploration. At the Naza and Aga occurrences gold mineralization is hosted by complexly folded rocks associated with iron sulphides and minor copper in stringer veins and micro-fracture infillings. The two showing are located approximately 2.8 kilometers apart and occur within the same stratigraphic unit of Kisseynew Group volcanics.

### Future Work

Compilation of all geological data including historical geochemical and geophysical information is underway and will be imported into a GIS database for analyses and interpretation. These results will be used to guide a field program consisting of grid-based geochemical sampling, prospecting, geological mapping and geophysics

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

### Annual Information

##### The following table summarizes financial information of Taiga for the last three completed financial years ended December 31, 2020, 2019 and 2018. This summary financial information should only be read in conjunction with Taiga's financial statements and the notes thereto. All figures below are stated in Canadian dollars.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Year Ended December 31,2020**  **(audited)** | **Year Ended December 31,2019**  **(audited)** | **Year Ended December 31,2018**  **(audited)** |
| **Total Revenue** | **7,279** | **Nil** | **Nil** |
| **Net Loss** | **$(1,270,151)** | **$(6,617,448)** | **$(912,923)** |
| **Basic and Diluted Loss per Share** | **$(0.02)** | **$(0.10)** | **$(0.02)** |
| **Total Assets** | **$1,252,403** | **$679,052** | **$6,790,403** |
| **Total Long Term Liabilities** | **Nil** | **Nil** | Nil |
| **Cash dividends declared per share** | **Nil** | **Nil** | Nil |

### Quarterly Information

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year  Quarter | 2020  Dec 31 | 2020  Sep 30 | 2020  Jun 30 | 2020  Mar 31 | 2019  Dec 31 | 2019  Sep 30 | 2019  Jun 30 | 2019  Mar 31 |
| Revenues | $ 4,318 | $ - | $ - | $ 2,961 | $ - | $ - | $ - | $ - |
| Net Loss | (202,083) | (136,249) | (681,025) | (250,793) | (5,999,371) | (100,154) | (109,065) | (108,858) |
| (Loss) per Share - Basic | (0.00) | (0.00) | (0.01) | (0.00) | (0.09) | (0.00) | (0.00) | (0.00) |
| Diluted loss per share | (0.00) | (0.00) | (0.00) | (0.00) | (0.09) | (0.00) | (0.00) | (0.00) |
| Assets | 1,252,403 | 1,432,061 | 1,487,133 | 1,802,070 | 679,052 | 6,703,494 | 6,746,375 | 6,646,050 |

### Dividends

##### Taiga has not paid dividends or made distributions on its Taiga Shares since its incorporation in 2017 and through the date of this Listing Statement. Taiga has no present intention of paying dividends in the near future. It will pay dividends when, as and if declared by its board of directors. There are no restrictions in Taiga's articles of incorporation or bylaws that prevent it from declaring dividends.

### Foreign GAAP

##### Taiga's financial statements have not been prepared in accordance with U.S. GAAP.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

##### Taiga's quarterly and annual Management's Discussion and Analysis ("MD&A") for the fiscal year ended December 31, 2020 are posted and are accessible at [www.sedar.com](http://www.sedar.com/) and/or the CSE website. The annual MD&A is attached as an appendix to this document.

## MARKET FOR SECURITIES

##### Taiga is a reporting a reporting issuer in British Columbia, Alberta, Saskatchewan and Ontario, and is listed on the CSE under the symbol "TGC".

## CONSOLIDATED CAPITALIZATION

##### Subsequent to the year-end Taiga completed a non-brokered private placement which was comprised of 12,495,000 flow-through units for gross proceeds of $2,495,000.

1. **OPTIONS TO PURCHASE SECURITIES**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Held by | # options | Exercise Price | Expiry Date | Market Value  on Date of Grant |
| executive officers & |  |  |  |  |
| directors | 3,000,000 | $0.20 | July 20-23 | $0.14 |
| directors | 300,000 | $0.20 | August 15, 2024 | $0.08 |
| Executive officers & directors | 1,800,000 | $0.20 | April 28. 2025 | $0.15 |
| other employees | 500,000 | $0.20 | July 20-23 | $0.14 |
| Other employees | 200,000 | $0.20 | April 28, 2025 | $0.15 |
| other consultants | 1,115,000 | $0.20 | July 20-23 | $0.14 |
| Other consultants | 685,000 | $0.20 | April 28, 2025 | $0.15 |
|  | 7,600,000 |  |  |  |

##### There are a total of 1,642,500 Taiga Shares reserved for issuance pursuant to the Taiga Options Commitment, which states all Eagle Plains Stock Options shall be exercisable into that number of Eagle Plains Shares issuable under the Eagle Plains Stock Options, and Taiga shall issue that number of Taiga Shares that is equal to the number of Eagle Plains Shares issued upon exercise of such Eagle Plains Stock Options multiplied by the Butterfly Proportion (the **"Taiga Options/Warrants Commitment"),** and Eagle Plains shall, as the agent for Taiga, distribute such Taiga Shares to the existing holders of such Eagle Plains Stock Options, and collect and pay to Taiga an amount for each Taiga Share so issued that is equal to the exercise price under the Eagle Plains Stock Option multiplied by the Butterfly Proportion (the **"Eagle Plains Options/Warrants Commitment").** Any entitlement to a fraction of a Taiga Share resulting from the exercise of an Eagle Plains Stock Option will be cancelled without compensation. These are allocated as follows:

|  |  |
| --- | --- |
| Executive officers and directors | 910,000 |
| Other employees | 137,500 |
| Other consultants | 595,000 |
|  | 1,642,500 |

##### Taiga has a 10% rolling stock option plan for its directors, employees and consultants to acquire Taiga Common Shares at a price determined by the fair market value of the shares at the date of grant. Taiga's stock option plan provides for immediate vesting or vesting at the discretion of the Taiga Board at the time of the option grant.

## DESCRIPTION OF THE SECURITIES

### General

##### The authorized share capital of Taiga consists of an unlimited number of common shares ("Taiga Shares") and an unlimited number of Preferred shares.

##### Each Taiga Share carries one vote at all meetings of shareholders, participates rateably in any dividends declared by the directors of Taiga on the Taiga Shares, and, subject to the rights of preferred shares, is entitled, on the liquidation, dissolution, winding-up or other distribution of assets of Taiga for the purposes of winding-up its affairs, to a pro rata share of the assets of Taiga after payment of all its liabilities and obligations.

### - 10.4 Debt and Other Securities

##### Taiga has no debt securities or other securities.

### Modification of Terms

##### Taiga has not modified any of the terms of its securities.

### Other Attributes

##### There are no other attributes of Taiga's securities that would materially limit or qualify the rights of any other class of securities.

### Prior Sales

##### 1,670,000 shares were issued for the exercise of EPL options

##### 1,849,500 shares were issued for the exercise of warrants at $0.12 and $0.18

##### 12,495,000 shares were issued for the private placement flow-through financing.

### Stock Exchange Price

##### Taiga Shares are listed and posted for trading on the CSE under the symbol "TGC" and are not listed on any other Canadian or foreign stock exchange. The shares traded at prices $0.12 to $0.305 at an average volume of 119,190 daily in the prior twelve months.

## ESCROWED SECURITIES

##### No securities of Taiga are subject to any escrow requirements, and no related party security holders shall be required under the policies of the CSE to enter into any escrow agreement.

## PRINCIPAL SHAREHOLDERS

##### To the knowledge of the directors and officers of Taiga, at the completion of the Arrangement, no person will beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to each class of the then outstanding Taiga Shares, except for Eagle Plains as provided below.

|  |  |  |
| --- | --- | --- |
| Name | Number of Taiga  Shares Held | Percentage of Taiga  Shares Held |
| Eagle Plains Resources Ltd. | 12,162,716 | 12.75% |

## DIRECTORS AND OFFICERS

### - 13.4 Particulars of Directors and Officers

##### The following table sets out the names of Taiga's directors and officers, municipalities of residence, the number of voting securities beneficially owned, directly or indirectly, or over which each exercises control or direction, the offices held in Taiga and the committees of which they are members:

|  |  |  |  |
| --- | --- | --- | --- |
| Name and Municipality  of Residence | Office held in Taiga | Number of Taiga  Shares owned | Percentage of Taiga  Shares owned |
| Charles C Downie⁽²⁾⁽⁴⁾  Cranbrook, BC | Director | 494,375 | 0.52% |
| Glen Diduck⁽¹⁾⁽³⁾ Cochrane, AB | Chief Financial Officer & Director | 1,557,500 | 1.63% |
| Timothy Termuende⁽²⁾⁽³⁾⁽⁴⁾  Cranbrook, BC | President, Chief Executive  Office and Director | 3,012,460 | 3.16% |
| Jesse Campbell⁽¹⁾⁽²⁾  Cranbrook, BC | Chief Operating Officer &  Director | 327,500 | 0.34% |
| Darren Fach⁽³⁾ | Director | 393,700 | 0.41% |
| Calgary, AB |  |  |  |
| Paul Reynolds⁽¹⁾  Vancouver, BC | Director | 147,500 | 0.15% |
|  | Total | 5,933,035 | 6.22% |

##### Notes: ⁽¹⁾Member of Audit Committee.

##### ⁽²⁾Member of Operations Committee.

##### ⁽³⁾Member of Corporate Governance and Compensation Committee.

##### ⁽⁴⁾These members of Taiga management, being Timothy Termuende and Charles Downie, will be devoting a substantial amount of their time to the management of Taiga, as required.

##### ⁽⁵⁾All directors and officers were appointed in October 2018 except for Paul Reynolds who was appointed in August 2019. Directors’ terms expire at the next annual meeting of shareholders.

### Particulars of Directors and Officers

##### The following directors and officers of Taiga are, or within the past five years have been, directors and officers of the following reporting issuers:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name | Other Reporting Issuers | Exchange | Position | Dates |
| Charles Downie | Eagle Plains Resources Ltd.  Omineca Mining and Metals Ltd. | TSX-V  TSX-V | Vice-President Exploration Director  Vice-President Exploration Director | Dec2001-Present May2011-May 2017 |
| Glen | Eagle Plains Resources Ltd. | TSX-V | Treasurer, CFO, Director | Oct1996-Present |
| Diduck | Omineca Mining and Metals Ltd. | TSX-V | Treasurer, CFO, Director | May2011-May 2017 |
|  | Tarku Resources Ltd. | TSX-V | CFO,Director | Mar2011-Oct2016 |
|  | Triumph Gold Corp | TSX-V | CFO | Jan2006-Sep2017 |
| Timothy | Aben Resources Ltd. | TSX-V | Director | Mar2011-Present |
| Termuende |  |  |  |  |
|  | Eagle Plains Resources Ltd. | TSX-V | President, CEO, Director | Jan1999-Present |
|  | Silver Range Resources Ltd. | TSX-V | Director | Jan2020-Present |
|  | Tarku Resources Ltd. | TSX-V | Director | Mar2011-Dec2020 |
|  | Omineca Mining and Metals Ltd. | TSX-V | President, CEO, Director | May2011-May2017 |
| Fach | Eagle Plains Resources Ltd. | TSX-V | Secretary,Director | May2004-Present |
|  | Omineca Mining and Metals Ltd. | TSX-V | Secretary,Director | May2011-May2017 |
|  | Tarku Resources Ltd. | TSX-V | Director | Oct2016-Jan2018 |
| Paul | Azincourt Energy Corp. | TSX-V | Director | Dec2012-Present |
| Reynolds | Eagle Plains Resources Ltd. | TSX-V | Director | May2004-Present |
|  | Cairo Resources Inc. | TSX-V | Director | August2014-Present |
|  | Fremont Gold Ltd. | TSX-V | Director | June2017-April2020 |
|  | Triumph Gold Corp. | TSX-V | Director,Exec Officer | June2012-Sep2019 |
| Norm Jordan | Eagle Plains Resources Ltd. Omineca Mining and Metals Ltd. | TSX-V TSX-V | Controller, Company Sec Controller, Company Sec | Nov2004-Present May2011-May2017 |

### Cease Trade Orders or Bankruptcies

##### To the knowledge of Taiga no current or proposed director, officer or promoter of Taiga, or a security holder anticipated to hold sufficient securities by Taiga to affect materially the control of Taiga, or within 10 years before the date hereof, has been, a director or officer of any other company that, with that person was acting in that capacity.

##### was the subject of a cease trade or similar order, or an order that denied the other company access to any exemptions under Ontario securities law, that was issued at the time such person was acting in the capacity as director or officer, for a period of more than 30 consecutive days;

##### was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

##### became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

##### within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

##### No proposed director of Taiga has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### - 13.8 Penalties or Sanctions

##### To the knowledge of Taiga, no director, officer or promoter of Taiga, or a security holder anticipated to hold sufficient securities of Taiga to affect materially the control of Taiga is, or within 10 years before the date hereof, has been, a director or officer of any other Issuer that, while that person was acting in that capacity, has:

##### been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

##### been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.

### Personal Bankruptcies

##### No director or officer of Taiga is, or has, within the 10 years prior to the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

### Conflicts of Interest

##### To the best of Taiga's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among Taiga, its promoters, directors and officers or other members of management of Taiga or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other public companies (including Eagle Plains), and therefore it is possible that a conflict may arise between their duties to Taiga and their duties as a director or officer of such other companies. If a conflict of interest arises at a meeting of the Taiga Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

### Management

##### The following is the background information on the above proposed directors, officers and management, including their principal occupations within the previous five (5) years.

**CHARLES C. DOWNIE** (age 61),

##### Director Cranbrook, British Columbia

##### Mr. Downie obtained his Bachelor of Science degree from the University of Alberta in 1988 and his Professional Geoscientist designation in British Columbia in 1993. He served as a Geological Consultant for Big City Resources Ltd., a privately owned resources company, from May, 1994 to 1999. Mr. Downie has acted as Exploration Manager and a director of Eagle Plains Resources Ltd. since January, 2000.

##### Mr. Downie is expected to devote 50% of his time to Taiga, as an independent contractor.

##### **GLEN J. DIDUCK,** (age 67), Chief Financial Officer and Director Cochrane, Alberta

##### Mr. Diduck obtained his Bachelor of Commerce degree from the University of Saskatchewan in 1976. He obtained his Chartered Accountant status in Alberta in 1979 and has subsequently been a self-employed Chartered Accountant in public practice. Mr. Diduck's practice has included providing audit and accounting services to numerous public companies. He has served as Treasurer and Chief Financial Officer of Eagle Plains Resources Ltd. since May, 1999.

##### Mr. Diduck is expected to devote approximately 25% of his time to Taiga, as an independent contractor.

**TIMOTHY J. TERMUENDE,** (age 58), President, Chief Executive Officer and Director Cranbrook, British Columbia

##### Mr. Termuende obtained his Bachelor of Science degree in Geology in 1987 and his Professional Geologist designation in British Columbia in 1992. Mr. Termuende has been a self-employed consulting geologist and President of Toklat Resources Inc., a privately owned resource management company, from March, 1990 to the present. He has served as President and Chief Executive Officer, as well as a director, of Eagle Plains Resources Ltd. since May, 1999.

##### Mr. Termuende is expected to devote 50% of his time to Taiga, as an independent contractor.

**DARREN B. FACH,** (age 60),

##### Director Calgary, Alberta

##### Mr. Fach is currently a Partner with the law firm of McLeod Law LLP where he has practiced since 1992. Mr. Fach was admitted to the Law Society of Alberta in 1990. Mr. Fach has served as Secretary of Eagle Plains Resources Ltd. since May, 1999.

**JESSE T. CAMPBELL,** (age 39), Chief Operating Officer and Director Cranbrook, British Columbia

##### Mr. Campbell obtained his Bachelor of Science degree in Geography from the University of Calgary in 2005. Mr. Campbell has been employed by Eagle Plains Resources Ltd. in a variety of roles since 1998 and been involved in the mining industry since 1997. He has served as President of TerraLogic Exploration Inc., a resource consulting firm and wholly owned subsidiary of Eagle Plains Resources Ltd, since 2009.

##### Mr. Campbell is expected to devote 40% of his time to Taiga, as an independent contractor.

##### **PAUL REYNOLDS**

##### Director, Vancouver, BC

Paul Reynolds, P. Geo, is a professional geoscientist with over 32 years’ experience working on exploration and mining projects in Canada, USA, Bolivia, Argentina and Guyana. He specializes in the conception and management of mineral exploration ventures. He has 20 years’ experience managing public companies as both a director and/or executive officer. Paul was formerly Chairman of Athlone Energy Ltd., which was sold to Daylight Energy Ltd. in September, 2008. He is currently a director and executive officer of Triumph Gold Corp. (TSX-V) and director of Azincourt Energy Inc. (TSX-V), Cairo Resources Inc. (TSX-V), Fremont Gold Corp. (TSX-V) and TerraX Minerals Inc. (TSX-V). Paul holds a B.Sc. degree in geology from the University of British Columbia (1987) and is a member of Engineers and Geoscientists British Columbia since 1992.

##### **NORM E. JORDAN,** (age 70), Corporate Secretary and Controller Cranbrook, British Columbia

##### Mr. Jordan obtained his Bachelor of Science in Business Administration degree in 1978 from Michigan Technological University. He has served as Controller of Eagle Plains since November 2004. Prior to joining Eagle Plains he was employed as a manager at BDO Dunwoody, a public accounting firm, where he worked for 20 years.

##### Mr. Jordan is expected to devote 50% of his time to Taiga, as an employee.

## CAPITALIZATION

### Issued Capital

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Number of Securities** | | **% of Issued Capital** | |
| **(non-diluted}** | **(fully:-diluted)** | **(non- diluted)** | ***(fully-***  **diluted)** |
|  |  |
| **Public Float** |  |  |  |  |
| **Total outstanding (A):** | **95,327,823** | **135,324,096** | **100%** | **100%** |
| **Held by Related Persons or employees of Taiga or Related Person of Taiga, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in Taiga (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in Taiga upon exercise or conversion of other securities held) (B):** | **18,095,751** | **24,410,751** | **19.0%** | **18.0%** |
| **Total Public Float (A)** - **(B):** | **77,232,072** | **110,913,345** | **81.0%** | **82.0%** |
| **Free-Tradable Float** |  |  |  |  |
| **Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C):** | **0** | **0** | **0%** | **0%** |
| **Total Tradable Float (A)** - **(C):** | **77,232,072** | **110,913,345** | **100.0%** | **100.0%** |

### Public Securityholders (Registered)

##### For the purposes of the following table, "public securityholders" are persons other than persons enumerated in section (B) of the above Issued Capital table, and only registered holders are listed.

### Class of Security: Common Shares

|  |  |  |
| --- | --- | --- |
| Size of Holding | Number of Holders | Total number of securities |
| 1-99 | 1 | 3 |
| 100 - 499 | 2 | 515 |
| 500 - 999 | 13 | 8,400 |
| 1,000 - 1,999 | 8 | 10,860 |
| 2,000 - 2,999 | 5 | 11,000 |
| 3,000 - 3,999 | 3 | 9,250 |
| 4,000 - 4,999 | 3 | 12,625 |

##### 5,000 or more 82 18,317,832

##### 117 18,370,485

### Public Securityholders (Beneficial}

##### For the purposes of the following table, "public securityholders (beneficial)" include (i) beneficial holders holding securities in their own name as registered shareholders; and

##### (ii) beneficial holders holding securities through an intermediary; but does not include "non• public securityholders" being those persons enumerated in section (B) of the above Issued Capital table.

### Class of Security: Common Shares

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Size Of**  **Holding** | . | **Number of holders** | **TotaI** | **number of securities** | ,\_ |
| 1 - 99 securities | 13 | | 397 | | |
| 100 - 499 securities | 77 | | 17,532 | | |
| 500 - 999 securities | 128 | | 73,746 | | |
| 1,000 - 1,999 securities | 182 | | 227,286 | | |
| 2,000 - 2,999 securities | 130 | | 306,144 | | |
| 3,000 - 3,999 securities | 50 | | 162,360 | | |
| 4,000 - 4,999 securities | 65 | | 271,917 | | |
| 5,000 or more securities | 2,439 | | 62,191,230 | | |
| **Total** | **3,084** | | **63,250,612** | | |

### Non-Public Securityholders (Registered}

##### For the purposes of this table, "non-public securityholders" are persons enumerated in section (B) of the above Issued Capital table.

### Class of Security: Common Shares

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Size of Holding** | **Number of** | **holders** | **Total number of securities** | .... |
| 1 - 99 securities | 0 | | 0 | |
| 100 - 499 securities | 0 | | 0 | |
| 500 - 999 securities | 0 | | 0 | |
| 1,000 - 1,999 securities | 0 | | 0 | |
| 2,000 - 2,999 securities | 0 | | 0 | |
| 3,000 - 3,999 securities | 0 | | 0 | |
| 4,000 - 4,999 securities | 0 | | 0 | |
| 5,000 or more securities | 7 | | 18,095,751 | |
| **Total** | **7** | | **18,095,751** | |

### Convertible/Exchangeable Securities

##### As at the date of the Listing Statement, there are Taiga shares issuable pursuant to the Taiga's Options/Warrants Commitment, as follows:

|  |  |  |
| --- | --- | --- |
| **Description of Security**  . | **Number of Convertible/Exchangeable Securities Outstanding⁽¹⁾** | **Number of Listed Securities**  **Issuable Upon**  **Conversion/Exercise** |
| Options | 7,600,000 | 7,600,000 |
| Warrants | 32,396,273 | 32,396,273 |
| Eagle Plains Stock Options | 1,642,500 | 1,642,500 |
| Eagle Plains Stock Warrants | 2,217,000 | 2,217,000 |

Notes ⁽¹⁾See Section 9. “*Options and Warrants to Purchase Securities”* for a full description of the Taiga Options/Warrants Commitment.

### Other Listed Securities

##### Not applicable. There are no other listed securities of Taiga currently reserved for issuance.

## EXECUTIVE COMPENSATION

### 15.1 Form 51-102F6

### Compensation of Executive Officers and Summary Compensation Table

##### For the purposes of this section, "Named Executive Officers" means the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of Taiga and each of Taiga's three most highly compensated executive officers, other than the CEO and CFO, whose aggregate compensation exceeded $150,000, any of whom served in such capacity during the most recently completed financial year.

#### Compensation Discussion and Analysis

##### The Corporation's approach to executive compensation has been to provide suitable compensation for executives that is internally equitable, externally competitive and reflects individual achievement. The Corporation attempts to maintain compensation arrangements that will attract and retain highly qualified individuals who are able and capable of carrying out the objectives of the Corporation. The Corporation's compensation arrangements for the Named Executive Officers may, in addition to salary, include compensation in the form of bonuses and, over a longer term, benefits arising from the grant of stock options.

#### Compensation Committee

##### The board of directors of the Corporation will establish a Corporate Governance and Compensation Committee (the **"CGCC")** comprised of directors, which establishes and reviews the Corporation's overall compensation philosophy and its general compensation policies with respect to executive officers, including the corporate goals and objectives and the annual performance objectives relevant to such officers. The CGCC evaluates each officer's performance in light these goals and objectives and, based on its evaluation, determines and approves the salary, bonus, options and other benefits for such officers. In determining compensation matters, the CGCC and the board of directors may consider a number of factors, including the Corporation's performance, the value of similar incentive awards to officers performing similar functions at comparable companies, the awards given in past years and other factors it considers relevant. The current overall objective of the Corporation's compensation strategy is to reward management for their efforts, while seeking to conserve cash given current market conditions. With respect to any bonuses or incentive plan grants which may be awarded to executive officers in the future, the corporation has not currently set any objective criteria and will instead rely upon any recommendations and discussion at the CGCC level with respect to the above-noted considerations and any other matters which the CGCC and board may consider relevant on a going- forward basis, including the cash position of the Corporation.

### Components of Executive Compensation:

##### The components of the executive compensation program are described in the table below.

|  |  |  |
| --- | --- | --- |
| Compensation element | · How it is paid | What it is designed to reward·.  . |
| Base salary | Cash | Rewards skills, capabilities, knowledge and experience, reflecting the level of responsibility, as well as the contribution expected from each executive. |
| Short-term Incentive | Cash | Rewards contribution to both department's performance and Eagle Plains' overall performance. Rewards for results within the current fiscal year. |

|  |  |  |
| --- | --- | --- |
| Long-term Incentive | Stock Options | Provides alignment between the interests of executives and shareholders. Rewards contribution to the long-term performance of Eagle Plains and demonstrated potential for future contribution. Aligns with long-term corporate performance and provides added incentive for executives to enhance shareholder value. |

##### The Corporate Governance and Compensation Committee ("CGCC") considers a broad range of factors when setting compensation for executive management, including but not limited to, market data, individual performance, corporate performance and sector performance.

### Base Salary

##### The base salary provides an executive with basic compensation and reflects individual responsibility, knowledge and experience, market competitiveness and the contribution expected from each individual. At its discretion, the CGCC may compare each executive officer's salary with the base salaries for similar positions in the comparator group, and recommends appropriate adjustments, as needed.

### Short-term Incentive

##### Short-term incentive compensation is based on annual results. The short-term incentive ensures that a significant portion of an executive's compensation varies with actual results in a given year, while providing financial incentives to executives to achieve short-term financial and strategic objectives. It communicates to executives the key accomplishments the CGCC wishes to reward and ensures that overall executive compensation correlates with corporate objectives. The short-term incentive component is structured to reward not only increased value for shareholders but also performance with respect to key operational factors and non-financial goals important to long-term success.

### Long-term Incentive

##### The long-term incentive component of executive compensation is designed to ensure commonality of interests between management and shareholders. This is accomplished by connecting shareholder return and long-term compensation, motivating executives to achieve long-range objectives that directly benefit shareholders.

##### Stock options reward executives for growth in the value of Taiga's stock over the long term. This is the high risk, high-return component of the executive total compensation program because stock options deliver value to an executive only if the share price is above the grant price. This long-term equity incentive includes both a corporate and personal component.

##### The following table sets forth the annual and long-term compensation for services in all capacities to Taiga for the year ended December 31, 2020 in respect of individuals who are acting in a capacity similar to the Chief Executive Officer, Chief Financial Officer and the three most highly compensated Executive Officers.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name and  Principal Position | Year | Salary ($) | Share- Based Awards  ($) | Option- Based Awards  ($) | Non-Equity Incentive Plan compensation  ($)  Annual Long-term  Incentive Incentive  Plans Plans | | Pension  Value ($) | All Other Compen- sation  ($) | Total Compen- sation  ($) |
| Timothy J. | 2020 | Nil | Nil | 27,458⁽³⁾ | Nil | Nil | Nil | 105,000⁽¹⁾ | $132,458 |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Termuende  CEO and President | | | | | | | | | |
| Glen J.  Diduck CFO | 2020 | Nil | Nil | 27,458⁽³⁾ | Nil | Nil | Nil | 49,500⁽²⁾ | $76,958 |

Notes: ⁽¹⁾ Consultant fees to Toklat Resources Ltd., a company owned by a director and officer of the Company.

⁽²⁾ Professional fees to Glen J. Diduck, a director and officer of the Company.

⁽³⁾ Based on Black Scholes valuation

### Pension Plan Benefits

##### Taiga does not have a defined benefit, defined contribution or deferred compensation plan.

### Compensation of Directors

##### Directors are compensated for their services as directors through an annual retainer as determined by the Board. It is anticipated that Taiga will pay no cash compensation to directors for services rendered in their capacity as directors.

##### The CGCC reviews director compensation every year and recommends updates to the Board for approval when considered appropriate or necessary to recognize the workload, time commitment and responsibility of Board and committee members and to remain competitive with director compensation trends of Eagle Plains' peer group. To do so, the CGCC uses industry comparative data and may, from time to time, retain independent external consultants to assist in reviewing director compensation.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

### Aggregate Indebtedness

##### None of the directors or executive officers of Taiga, or associates or affiliates of such person, have been indebted to Taiga at any time since the incorporation of Taiga.

### Indebtedness under Securities Purchase and Other Programs

##### None of the directors or executive officers of Taiga are indebted to Taiga under any securities purchase or other programs.

### RISK FACTORS 17 .1 Risk Factors

##### The following risk factors should be carefully considered in evaluating Taiga. The risks presented below may not be all of the risks that Taiga may face. It is believed that these are the factors that could cause actual results to be different from expected.

### Risks Relating to the Issuer

### Exploration and Development

##### Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The Company’s properties are in the exploration stage. There is no assurance that the Company’s mineral exploration and development activities will result in any discoveries of commercial bodies of minerals. The long- term profitability of the Company’s operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

##### Development of the Company’s properties will only be potentially pursued if favourable exploration

##### results are obtained that demonstrate that potential economic extraction of minerals is justified.

##### The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including, but not limited to, the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

##### Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company’s properties can be obtained on a timely basis, if at all.

##### The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

##### There is no assurance that the CSE, TSX-V, or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

### Financial Capability and Additional Financing

##### The Company has limited financial resources, with its only source of operating income being cash and share payments from current option agreements and have no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects.

##### The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

### Mining Titles

##### There is no guarantee that the Company’s title to or interests in the Company’s property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed. There can be no assurance that the Company’s rights will not be challenged by third parties claiming an interest in the properties.

### Management

##### The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company’s business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

### Conflicts of Interest

##### Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

### Dilution

##### There are a number of outstanding options and warrants pursuant to which additional common shares of the Company may be issued in the future. Exercise of such options and warrants may result in dilution to the Company’s shareholders. In addition, if the Company raises additional funds through the sale of equity securities, shareholders may have their investment further diluted.

### History of Losses and No Assurance of Profitable Operations

##### The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

##### The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

### Uninsurable Risks

##### In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

### Environmental and Safety Regulations and Risks

##### Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches.

##### Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

### Fluctuating Mineral Prices

##### The Company’s revenues, if any, are expected to be in large part derived from the sale of gold, copper, and possibly other metals. The prices of gold, copper, and other commodities have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of gold and copper due to new mine developments, mine closures, and advances in various production and technological uses for gold and copper. All of these factors will have impacts on the viability of the Company’s exploration projects that are impossible to predict with certainty.

### Competitive Conditions

##### The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have significantly greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company’s inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company’s results.

### Price Volatility of Publicly Traded Securities

##### In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related

##### to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

### Inadequate Infrastructure May Affect the Company’s Operations

##### Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company’s operations, financial condition and results of operations.

**Coronavirus (COVID-19)**

During 2020 there has been a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company’s operations.

### Additional Securityholder Risk

##### There is no risk that a securityholder of the Issuer may become liable to make an additional contribution beyond the price they paid to purchase or acquire the Taiga Shares.

### Other Risks

##### Subject to the risk factors set out in section 17.1 above, there are no other material risk factors that a reasonable investor would consider relevant to an investment in the Issuer's shares.

## PROMOTERS

##### No person or company has been, since its incorporation in 2017, a promoter of Taiga.

## LEGAL PROCEEDINGS

### Legal Proceedings

##### Taiga is not, and was not since its incorporation in 2017, engaged in any legal proceedings and none of its property is or was during that period the subject of any legal proceedings. Taiga does not know of any such legal proceedings which are contemplated.

### Regulatory Actions

##### Since its incorporation in 2017, Taiga has not been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, any other penalties or sanctions imposed by a court or regulatory body, or entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

# INTEREST OF MANAGEMENT & OTHERS IN MATERIAL TRANSACTIONS

### Interest of Management and Others in Material Transactions

##### No director or executive officer of Taiga or any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class of Taiga's outstanding voting securities, or an associate or affiliate of any such persons or companies, has any material interest, direct or indirect, in any transaction preceding the date of this document, or any proposed transaction, that has materially affected or will materially affect Taiga.

## AUDITORS, TRANSFER AGENTS AND REGISTRARS

##### Crowe MacKay LLP, Chartered Professional Accountants of 1100 1177 West Hastings Street, Vancouver, British Columbia, V6E 4T5, are the Auditors of Taiga.

##### The transfer agent and registrar for the Taiga Shares is AST Trust Company (Canada), located at Suite 600, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Zl.

## MATERIAL CONTRACTS

##### Except for the Arrangement Agreement referenced within this Listing Statement, there were no material contracts entered into by Taiga since its incorporation.

## INTEREST OF EXPERTS

##### No person or company named in this document as having prepared or certified a part of the document or a report described in this document and no responsible solicitor or any partner of a responsible solicitor's firm, holds any material beneficial interest, direct or indirect, in any securities or property of Taiga or of an associate or affiliate of Taiga.

## OTHER MATERIAL FACTS

##### There are no other material facts that are not elsewhere disclosed herein and which are necessary in order for this document to contain full, true and plain disclosure of all material facts relating to Taiga.

## FINANCIAL STATEMENTS

### Financial Statements of Issuer

##### The following financial statements of Taiga which have been posted and are accessible under Taiga's SEDAR profile at [www.sedar.com,](http://www.sedar.com/) are specifically incorporated into and form an integral part of this Listing Statement:

### Annual Financial Statements

##### Annual Audited Financial Statements of Taiga for the financial year ended December 31, 2020;

**TAIGA GOLD CORP.**

**(An Exploration Stage Corporation)**

**FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

For the years ended

December 31, 2020 and 2019

 **Crowe MacKay LLP**

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**Independent Auditor's Report**

**To the Shareholders of Taiga Gold Corp.**

**Opinion**

We have audited the financial statements of Taiga Gold Corp. ("the Company"), which comprise the statements of financial position as at December 31, 2020 and December 31, 2019 and the statements of comprehensive loss, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and December 31, 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

Management is responsible for the other information. The other information comprises:

• Management's Discussion and Analysis

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the other information prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit 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 Company’s internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Keith Gagnon.

**"Crowe MacKay LLP"**

**Chartered Professional Accountants**

**Vancouver, Canada**

**April 22, 2021**

|  |  |  |
| --- | --- | --- |
| **TAIGA GOLD CORP.** | | |
| **(An Exploration Stage Corporation)** | | |
| **STATEMENTS OF FINANCIAL POSITION** | | |
| (Expressed in Canadian dollars) | | |
|  |  |  |
|  |  |  |
| As at December 31 | **2020** | 2019 |
| **Assets** |  |  |
|  |  |  |
| **Current** |  |  |
| Cash and cash equivalents | **$ 558,269** | $ 31,817 |
| Accounts receivable (Note 7) | **132,052** | 20,491 |
| Prepaid expenses | **30,285** | - |
| Investments (Note 4) | **68,750** | - |
|  | **789,356** | 52,308 |
| **Exploration and evaluation assets** (Note 5) | **463,047** | 626,744 |
|  | **$1,252,403** | $ 679,052 |
|  |  |  |
| **Liabilities and Shareholders’ Equity** |  |  |
|  |  |  |
| **Current** |  |  |
| Accounts payable and accrued liabilities (Note 7) | **$ 51,090** | $ 77,223 |
|  |  |  |
| **Shareholders’ equity** |  |  |
| Share capital (Note 10) | **8,884,622** | 7,271,993 |
| Contributed surplus | **817,213** | 560,207 |
| Deficit | **(8,500,522)** | (7,230,371) |
|  | **1,201,313** | 601,829 |
|  | **$1,252,403** | $ 679,052 |
|  |  |  |
| **Nature and continuance of operations** (Note 1) |  |  |
| **Commitments and contingencies** (Note 8) |  |  |
| **Subsequent events** (Notes 5 and 13) |  |  |
|  |  |  |
|  |  |  |
| **On behalf of the Board:** |  |  |
|  |  |  |
| *“Timothy J Termuende”* Director |  |  |
| Mr. Timothy J. Termuende (Signed) |  |  |
|  |  |  |
| *“Glen J Diduck”* Director |  |  |
| Mr. Glen J. Diduck (Signed) |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TAIGA GOLD CORP.** | | | | | | |
| **(An Exploration Stage Corporation)** | | | | | | |
| **STATEMENTS OF COMPREHENSIVE LOSS** | | | | | | |
| (Expressed in Canadian dollars) | | | | | | |
|  | | |  | | |  |
|  |  | | |  | | |
| **For the years ended December 31** |  |  | | **2020** | 2019 | |
|  |  |  | |  |  | |
| **Revenue** |  |  | | **$ 7,279** | $ - | |
|  |  |  | |  |  | |
| **Operating expenses** |  |  | |  |  | |
| Administration costs (Note 7) |  |  | | **256,111** | 282,245 | |
| Professional fees (Note 7) |  |  | | **75,503** | 65,581 | |
| Public company costs |  |  | | **33,472** | 32,376 | |
| Trade shows, travel and promotion |  |  | | **357,881** | 87,058 | |
|  |  |  | | **722,967** | 467,260 | |
| **Operating loss before other items** |  |  | | **715,688** | 467,260 | |
|  |  |  | |  |  | |
| **Other items** |  |  | |  |  | |
| Other income |  |  | | **(4,337)** | (4,303) | |
| Other expense (Notes 7 and 8) |  |  | | **285,787** | - | |
| Premium on flow-through shares |  |  | | **-** | (26,759) | |
| Share-based payments (Notes 7 and 10) |  |  | | **257,006** | 21,250 | |
| Write-down of exploration and evaluation assets (Note 5) |  |  | | **12,257** | 5,860,000 | |
| Unrealized loss on investments (note 4) |  |  | | **3,750** | - | |
|  |  |  | | **554,463** | 5,850,188 | |
|  |  |  | |  |  | |
| **Loss for the year** |  |  | | **$1,270,151** | $6,317,448 | |
|  |  |  | |  |  | |
| **Net loss per share** – basic and diluted (Note 11) |  |  | | **($0.02)** | ($0.10) | |
|  |  |  | |  |  | |
| **Weighted average number** |  |  | |  |  | |
| **of shares** **outstanding** – basic and diluted (Note 11) |  |  | | **78,994,830** | 63,139,461 | |

|  |  |  |
| --- | --- | --- |
| **TAIGA GOLD CORP.** | | |
| **(An Exploration Stage Corporation)** | | |
| **STATEMENTS OF CASH FLOWS** | | |
| (Expressed in Canadian dollars) | | |
|  |  | |
|  |  |  |
| **For the years ended December 31** | **2020** | 2019 |
|  |  |  |
| **Cash flows from operating activities** |  |  |
| Loss for the year | **$ (1,270,151)** | $ (6,317,448) |
| Adjustment for: |  |  |
| Share-based payments | **257,006** | 21,250 |
| Premium on flow-through shares | **-** | (26,759) |
| Write-down of exploration and evaluation assets | **12,257** | 5,860,000 |
| Unrealized loss on investments | **3,750** | - |
|  | **(997,138)** | (462,957) |
| Changes in non-cash working capital items |  |  |
| Increase in accounts receivable | **(111,561)** | (13,658) |
| Increase in prepaid expenses | **(30,285)** | - |
| Decrease in accounts payable and accrued liabilities | **(26,919)** | (10,071) |
|  | **(1,165,903)** | (486,686) |
|  |  |  |
| **Cash flows from financing activities** |  |  |
| Proceeds from private placements | **1,399,615** | 209,040 |
| Share issuance costs | **(30,293)** | (593) |
| Proceeds from exercise of options | **142,807** | - |
| Proceeds from exercise of warrants | **100,500** | - |
|  | **1,612,629** | 208,447 |
|  |  |  |
| **Cash flows from investing activities** |  |  |
| Cash received for option payments | **135,000** | 75,000 |
| Exploration and evaluation assets expenditures | **(55,274)** | (274,778) |
|  | **79,726** | (199,778) |
|  |  |  |
| **Increase (decrease) in cash and cash equivalents** | **526,452** | (478,017) |
|  |  |  |
| Cash and cash equivalents, beginning of year | **31,817** | 509,834 |
|  |  |  |
| **Cash and cash equivalents, end of year** | **$ 558,269** | $ 31,817 |
|  |  |  |
| **Cash and cash equivalents comprise:** |  |  |
| Bank deposits | **$ 154,865** | $ 31,817 |
| Term deposits | **403,404** | - |
|  | **$ 558,269** | $ 31,817 |
| The Company made no cash payments for interest or income taxes in the year. |  |  |

The Company received cash payments of $4,180 (2019 - $3,841) for interest in the year.

At December 31, 2020, accounts payable and accrued liabilities included $14,016 (2019 - $13,230) for investment in exploration and evaluation assets.

During the year, the Company received 250,000 (2019 – nil) shares for the various option and property purchase agreements in effect with an attributed value of $72,500 (2019 - $nil).

|  |
| --- |
| **TAIGA GOLD CORP.** |
| **(An Exploration Stage Corporation)** |
| **STATEMENTS OF CHANGES IN EQUITY** |
| (Expressed in Canadian dollars) |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Share Capital | | Contributed |  |  |
|  | Shares | Amount | Surplus | Deficit | Total |
| Balance, December 31, 2018 | 61,274,050 | $7,063,546 | $538,957 | $ (912,923) | $ 6,689,580 |
| Shares issued for private placement | 2,613,000 | 209,040 | - | - | 209,040 |
| Share issue costs | - | (593) | - | - | (593) |
| Share-based payments | - | - | 21,250 | - | 21,250 |
| Loss for the year | - | - | - | (6,317,448) | (6,317,448) |
| Balance, December 31, 2019 | 63,887,050 | 7,271,993 | 560,207 | (7,230,371) | 601,829 |
| Shares issued for Eagle Plains options exercised (Note 10) | 1,670,000 | 142,807 | - | - | 142,807 |
| Shares issued for private placement | 15,551,273 | 1,399,615 | - | - | 1,399,615 |
| Shares issued for warrants exercised | 637,500 | 100,500 | - | - | 100,500 |
| Share issue costs | - | (30,293) | - | - | (30,293) |
| Share-based payment | - | - | 257,006 | - | 257,006 |
| Loss for the year | - | - | - | (1,270,151) | (1,270,151) |
| **Balance, December 31, 2020** | **81,745,823** | **$8,884,622** | **$817,213** | **$(8,500,522)** | **$1,201,313** |

**1. Nature and Continuance of Operations**

Taiga Gold Corp. (“Taiga” or the “Company”) was incorporated on September 28, 2017 under the laws of the province of Alberta as a wholly-owned subsidiary of Eagle Plains Resources Ltd. (“Eagle Plains”, “EPL”). On April 6, 2018, a Plan of Arrangement (the “Plan of Arrangement”) was approved by the shareholders of Eagle Plains whereby Eagle Plains distributed 100% of its interest in certain properties (the “Spin-out Properties”) to Taiga. Concurrently with the completion of the Arrangement, Taiga obtained approval to list its common shares on the Canadian Securities Exchange (“CSE”) and began trading under the symbol TGC on April 30, 2018.

The Company is engaged in the exploration and development of mineral resources and is considered to be in the exploration stage as it has not placed any of its mineral properties into production. The Company acts as the operator on certain option agreements and derives revenue from this.

The Corporate office and principal place of business is Suite 200, 44-12th Avenue South, Cranbrook, British Columbia, Canada.

These financial statements have been prepared on the basis that the Company is a going concern which envisions the Company will be able to realize assets and discharge liabilities in the normal course of operations. Recoverability of the amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying mineral claims, the ability of the Company to obtain the necessary financing to complete the development, and attain profitable production or proceeds from the disposition of the exploration and evaluation assets in excess of the carrying amount.

In 2020 there was a global pandemic outbreak of COVID-19.  The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability to raise new capital. These factors, amongst others, could have a significant impact on the Company’s operations. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

**2. Basis of Preparation**

1. Statement of Compliance

The financial statements for the Company for the years ending December 31, 2020 and 2019 are prepared in accordance with International Accounting Financial Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

These financial statements were authorized for issue by the Board of Directors on April 22, 2021.

1. Basis of Measurement

These financial statements have been prepared on a historical cost basis except for financial instruments classified as fair value through profit or loss (“FVTPL”) which are stated at their fair value. These financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements are presented in Canadian dollars, which is also the Company’s functional currency.

1. Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

**2. Basis of Preparation - continued**

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

Significant areas requiring the use of management estimates include impairment of exploration and evaluation assets; provision of reclamation and environmental obligations, if any; and inputs used in accounting for share-based payments in profit or loss.

Areas of significant judgment include the Company’s ability to continue as a going concern (note 1); the classification of financial instruments; recognition of deferred income taxes and contingencies reported in the notes to the financial statements; and the classification of exploration and evaluation expenditures, which requires judgment in determining whether it is likely that future economic benefits will flow to the Company as this would result in the properties being shown as mines under construction instead of exploration and evaluation assets.

1. **Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all years presented in these financial statements. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

1. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and term deposits that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

1. Financial instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 requires financial assets to be classified into three measurement categories on initial recognition:

* + Those measured a fair value through profit and loss (“FVTPL”);
  + Those measured at fair value through other comprehensive income (“FVOCI”); and
  + Those measured at amortized cost.

Cash and cash equivalents and investments are measured at FVTPL and accounts receivables and accounts payable and accrued liabilities, initially recognized at fair value, are subsequently recorded at amortized cost using the effective interest rate method.

1. Exploration and evaluation assets

*Pre-exploration costs*

Pre-exploration costs are expensed in the period in which they are incurred.

*Exploration and evaluation expenditures*

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company enters into farm-out arrangements, whereby the Company will transfer part of a mineral interest, as consideration, for an agreement by the transferee to meet certain exploration and evaluation expenditures which would

have otherwise been undertaken by the Company. The Company does not record any expenditures made by the farmee on its behalf. Any cash or other consideration received from the agreement is credited against the costs previously capitalized to the mineral interest given up by the Company, with any excess consideration accounted for as a gain on disposal.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest

1. **Significant Accounting Policies - continued**

that the carrying amount of an asset may exceed its recoverable amount.

When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

Under IFRS 6 Exploration for and Evaluation of Mineral Resources, one or more of the following facts and circumstances indicate that an entity should test exploration and evaluation assets for impairment:

* 1. The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
  2. Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
  3. Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
  4. Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as ‘mines under construction’. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties. Any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Exploration and evaluation assets are classified as intangible assets.

1. Mineral tax credit and other government assistance

The Federal and Provincial taxation authorities provide companies with tax incentives for undertaking mineral exploration programs in certain areas. The Company accrues these credits as a reduction of exploration and evaluation expenditures in the period that the related expenditures were incurred. These accrued credits are subject to review by the relevant authorities and adjustments, if any, resulting from such a review are recorded in the period that the tax filings are amended.

Government assistance, such as the Canada Emergency Wage Subsidy, is recognized when there is reasonable assurance that the Company will comply with conditions attached to them and the government assistance will be received. The Company uses the income approach in which government assistance is recognized in profit or loss on a systematic basis over the periods in which the entity recognizes as expenses the related costs for which the assistance is intended to compensate. Government assistance receivable as compensation for expenses or losses already incurred, for the purpose of giving immediate financial support to the Company, with no future related costs, shall be recognized in profit or loss in the period in which it becomes available. Government assistance is netted from the related expense in the consolidated statements of comprehensive income (loss).

1. Option agreements

Certain of the Company’s activities are conducted through joint arrangements in which two or more parties have joint control. A joint arrangement is classified as either a joint operation or a joint venture, depending on the rights and obligations of the parties to the arrangement.

Joint operations arise when the Company has a direct ownership interest in jointly controlled assets and obligations for liabilities.

Joint ventures arise when the Company has rights to the net assets of the arrangement. For these arrangements the Company uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Company’s share of the joint venture’s income or loss, less dividends received thereafter. Joint ventures are tested for impairment whenever objective evidence indicates that the carrying amount of the investment may not be recoverable under the equity method of accounting. The impairment amount is measured as the difference between the carrying amount of the investment and the higher of its fair value less costs of disposal and its value in use.

1. **Significant Accounting Policies - continued**

Impairment losses are reversed in subsequent years if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

1. Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the assets are reviewed to determine whether there is any indication that those assets are impaired. Impairment is recognized when the carrying amount of an asset exceeds its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (“CGU”) to which the asset belongs. The recoverable amount is the greater of the asset’s fair value less costs of disposal and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. The impairment loss is recognized in profit or loss in the statement of comprehensive income (loss) for the period.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount had no impairment loss been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

1. Rehabilitation obligations

The Company recognizes the fair value of a legal or constructive liability for a rehabilitation obligation in the year in which it is incurred and when a reasonable estimate of fair value can be made. The carrying amount of the related long-lived asset is increased by the same amount as the liability. Changes in the liability for an asset retirement obligation due to the passage of time will be measured by applying an interest method of allocation. The amount will be recognized as an increase in the liability and an accretion expense in profit or loss. Changes resulting from revisions to the timing or the amount of the original estimate of undiscounted cash flows are recognized as an increase or a decrease to the carrying amount of the liability and the related long-lived asset. The Company does not have significant rehabilitation obligations.

1. Revenue recognition

Revenue associated with services provided by the Company is recognized when services are performed under an agreement with a customer, amount is known and collection of any resulting receivable is reasonably assured.

1. Income taxes

Income tax expense comprises of current and deferred tax. Current tax and deferred tax are recognized in net income or loss except to the extent that it relates to a business combination or items recognized directly in equity or in other comprehensive income (loss).

Current income taxes are recognized for the estimated income taxes payable or receivable on taxable income or loss for the current year and any adjustment to income taxes payable in respect of previous years. Current income taxes are determined using tax rates and tax laws that have been enacted or substantively enacted by the year-end date.

Deferred tax assets and liabilities are recognized where the carrying amount of an asset or liability differs from its tax base, except for taxable temporary differences arising on the initial recognition of goodwill and temporary differences arising on the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss.

Recognition of deferred tax assets for unused tax losses, tax credits and deductible temporary differences is restricted to those instances where it is probable that future taxable profit will be available against which the deferred tax asset can be utilized. At the end of each reporting period the Company reassesses unrecognized deferred tax assets. The Company recognizes a previously unrecognized deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

1. Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company’s common shares, share warrants, options and flow- through shares are classified as equity instruments. Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity, net of tax.

1. **Significant Accounting Policies - continued**

*Valuation of equity units issued in private placements*

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded to contributed surplus.

*Flow-through shares*

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) a flow-through share premium, equal to the estimated premium, if any, investors pay for the flow-through feature, which is recognized as an other liability, and ii) share capital. Upon expenses being incurred, the Company derecognizes the other liability and recognizes a deferred tax liability for the amount of tax reduction renounced to the shareholders. The premium is recognized as other income and the related deferred tax is recognized as a tax provision.

Proceeds received from the issuance of flow-through shares are restricted to be used only for Canadian resource property exploration expenditures within a two-year period. The portion of the proceeds received but not yet expended at the end of the Company’s reporting period is disclosed separately as flow-through share proceeds in Note 8, if any.

The Company may also be subject to Part XII.6 tax on flow-through proceeds renounced under the Look-back Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a financing expense until qualifying expenditures are incurred.

1. Per share amounts

Basic earnings per common share are computed by dividing the net income for the year by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect the potential dilution that could occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other dilutive instruments. Under the treasury stock method, the weighted average number of shares outstanding used in the calculation of diluted loss per share assumes that the deemed proceeds received from the exercise of stock options, share purchase warrants and their equivalents would be used to repurchase common shares of the Company at the average market price during the year.

1. Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss in the statement of comprehensive income (loss) over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss in the statement of comprehensive income (loss) over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss in the statement of comprehensive income (loss), unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on

1. **Significant Accounting Policies - continued**

management’s best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period.

Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(m) New accounting pronouncements

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting years beginning after January 1, 2020, or later years. Updates that are not applicable or are not consequential to the Company have been excluded in the preparation of these financial statements.

The following accounting standards and amendments are effective for future periods.

*Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*

The amendments to IAS1 provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. These amendments are effective for reporting periods beginning on or after January 1, 2023

1. **Investments**

The Company holds investments that have been designated as FVTPL as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **December 31, 2020** | |  | December 31, 2019 | |
|  | **Market Value** | **Cost** |  | Market Value | Cost |
| Current: |  |  |  |  |  |
| Common shares in public companies | **$ 68,750** | **$ 72,500** |  | $ nil | $ nil |

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at December 31, 2020. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

During the year, the Company received 250,000 (2019 – nil) shares for the various option and property purchase agreements in effect with an attributed value of $72,500 (2019 - $nil).

The Company recorded unrealized loss on investments of $3,750 (2019 – $nil) in the year which is included in the statements of comprehensive loss.

**5. Exploration and Evaluation Assets**

During the year ended December 31, 2020, the Company made acquisition and exploration expenditures of $56,060 (2019 - $288,008) and received options payments of $207,500 (2019 - $75,000). During the current year, the Company wrote down exploration and evaluation assets of $12,257 for the Chico property due to uncertainty as to when exploration may commence again. During the prior year, the Company wrote down exploration and evaluation assets of $5,860,000 as management determined that this amount in 2019, which was part of the fair value allocated for the spin-

**5. Exploration and Evaluation Assets - continued**

out transaction in 2018, was not recoverable. As a result of the foregoing, exploration and evaluation assets totaled $463,047 at December 31, 2020, down from $626,744 at December 31, 2019.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 31-Dec | Acquisition and | Option | Write down of | 31-Dec |
|  | 2019 | Exploration | Payments | mineral properties | 2020 |
| Chico | $ 9,904 | $ 2,353 | $ - | $ (12,257) | $ - |
| Fisher | 100,000 | - | (75,000) | - | 25,000 |
| Leland | 280,620 | 8,247 | (102,500) | - | 186,367 |
| Orchid | 116,986 | 8,891 | - | - | 125,877 |
| SAM | 119,234 | 32,878 | (30,000) | - | 122,112 |
| Other | - | 3,691 | - | - | 3,691 |
|  | **$626,744** | **$56,060** | **$(207,500)** | **$ (12,257)** | **$463,047** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  | 31-Dec | Acquisition and | Option | Write down of | 31-Dec |
|  | 2018 | Exploration | Payments | mineral properties | 2019 |
| Chico | $ 7,415 | $ 2,489 | $ - | $ - | $ 9,904 |
| Fisher | 1,927,967 | - | (75,000) | (1,752,967) | 100,000 |
| Leland | 1,201,892 | 274,622 | - | (1,195,894) | 280,620 |
| Orchid | 2,761,972 | 10,705 | - | (2,655,691) | 116,986 |
| SAM | 374,490 | 192 | - | (255,448) | 119,234 |
|  | $6,273,736 | $288,008 | $(75,000) | $(5,860,000) | $626,744 |

Summary of acquisition and exploration expenditures:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  | 2020 | 2019 |
| Analytical |  |  | $ 6,155 | $ 36,586 |
| Environmental & consultations | | | 5,534 | 2,800 |
| Equipment rental | |  | 2,498 | 27,203 |
| Geological and geochemical | | | 796 | 3,195 |
| Geophysical | |  | - | 35,624 |
| Labour |  |  | 21,674 | 128,610 |
| Transportation | |  | - | 31,478 |
| Travel and camp | |  | 2,716 | 22.182 |
| Tenure and acquisitions | |  | 16,687 | 330 |
|  |  |  | $56,060 | $288,008 |

The Company has interests in a number of optioned exploration projects. As at December 31, 2020, the Company has executed option agreements with third parties on the following projects:

**Chico Project:** On December 9, 2016,Eagle Plains entered into an option agreement (subsequently transferred to Taiga per the Plan of Arrangement) withAben Resources Ltd. (“Aben”) whereby Aben has the exclusive right to earn an undivided 80% interest in the Chico Gold Project located in Saskatchewan. Aben may earn an initial 60% interest by incurring $1,500,000 in exploration expenditures, issuing 1,500,000 common shares and making cash payments totalling $100,000 over 4 years.  Upon earning this 60% interest, Aben may elect to exercise a second option to earn a further 20% interest by incurring an additional $2,000,000 in exploration expenditures, issuing 1,000,000 common shares, and making $50,000 cash payment within two years of the date of election. Payments for the initial 60% interest are due as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Cash | Share | Exploration |  |
| Payments | Payments | Expenditures | Due Date |
| $ 25,000 | - | $ - | December 9, 2016 (received) |
| - | 250,000 | - | January 6, 2017 (received) |
| 25,000 | 250,000 | 150,000 | January 6, 2018 (received) |
| 25,000 | 500,000 | 250,000 | January 6, 2019 (in force majeure) |
| 25,000 | 500,000 | 450,000 | January 6, 2020 (in force majeure) |
| - | - | 650,000 | January 6, 2021 (in force majeure) |
| $ 100,000 | 1,500,000 | $ 1,500,000 |  |

**5. Exploration and Evaluation Assets - continued**

**Chico Project - continued**

On March 23, 2018, the Company and Aben made the decision to suspend the planned and permitted drill program as a result of a request by the citizens of the community of Pelican Narrows and members of the Peter Ballantyne Cree Nation. As a result, the option agreement has been placed in force majeure and all future payments are suspended. Aben may revisit plans to explore the property in the future, following meaningful consultation with the community and PBCN members.

**Fisher Gold Project:** On October 5, 2016, Eagle Plains entered into an option agreement (subsequently transferred to Taiga per the Plan of Arrangement) with Silver Standard Resources Inc.(subsequently renamed SSR Mining Inc.) (subsequently transferred to SGO Mining Inc., a wholly-owned subsidiary) (“SGO”) whereby SGO could earn up to a 60% interest in the property, located in Saskatchewan. To earn a 60% interest over four years, SGO agreed to complete $4,000,000 in exploration expenditures, make an initial cash payment of $100,000 and make annual cash payments of $75,000. Once the 60% earn-in has been completed, SGO has a 365-day, one-time option (by agreement dated October 15, 2018 with SGO, Taiga agreed to extend the time period under the option agreement for SGO to exercise its right to acquire an additional 20% undivided interest in the Fisher property from 90 days to 365 days) to earn an additional 20% interest (for a total of 80%) by making a cash payment of $3,000,000 to Taiga, at which time an 80/20 joint-venture will be formed to further advance the property. Taiga will retain a Net Smelter Return (“NSR”) ranging from 0.5% to 2.5% depending on the locations of the claims as set out in the agreement, subject to reduction on certain claims by underlying NSR agreements. Taiga’s NSR may be reduced by 1% at any time upon payment of $1,000,000 by the joint venture. In addition, Taiga will receive advance royalty payments of $100,000 annually from the joint venture until commencement of commercial production. Taiga has an agreement to pay a third party a 1% net smelter return on certain claims as described in an underlying agreement. Payments are due as follows:

|  |  |  |
| --- | --- | --- |
| Cash | Exploration |  |
| Payments | Expenditures | Due Date |
| $ 100,000 | $ - | October 5, 2016 (received) |
| 75,000 | - | October 5, 2017 (received) |
| 75,000 | - | October 5, 2018 (received) |
| 75,000 | - | October 5, 2019 (received) |
| 75,000 | 4,000,000 | October 5, 2020 (received/completed) |
| $ 400,000 | $ 4,000,000 |  |

Subsequent to the year-end, Taiga received an earn-in notice from partner SSR Mining Inc. that it has satisfied its commitments and has exercised the second option earn-in for an 80% aggregate interest in the Fisher Project pursuant to the Option Agreement. In accordance with the Agreement, SSR Mining made a cash payment of $3,000,000 to Taiga on January 5, 2021.

**Leland Gold Project:** OnMay 20, 2020, Taiga executed an option agreement with SKRR Exploration Inc. (“SKRR”) whereby SKRR may earn up to a 75% interest in the Leland property located east of La Ronge, northern Saskatchewan. Under terms of the agreement SKRR may earn its initial 51% interest in the property by completing exploration expenditures of $1,500,000, making cash payments of $500,000 and issuing 1,000,000 voting class common shares to Taiga over a 3 year period. Taiga will retain a 2% NSR, with a buy-down to 1% at any time upon payment to Taiga of $1,000,000. To earn the additional 24% interest in the property, SKRR agrees to make additional exploration expenditures of $1,500,000 ($3,000,000 total) on the property and to issue an additional 500,000 common shares of SKRR to Taiga on or before December 31, 2023. Payments for the initial 51% are as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Cash | Share | Exploration |  |
| Payments | Payments | Expenditures | Due Date |
| $ 30,000 | 250,000 | $ - | May 28, 2020 (received) |
| 25,000 | 250,000 | 100,000 | December 31, 2020 (received/completed subsequent to year end) |
| 165,000 | 250,000 | 600,000 | December 31, 2021 |
| 280,000 | 250,000 | 800,000 | December 31, 2022 |
| $ 500,000 | 1,000,000 | $ 1,500,000 |  |

**5. Exploration and Evaluation Assets - continued**

**SAM Gold Project:** OnAugust 26, 2020, Taiga executed an option agreement with DJ1 Capital Corp. (“DJ1”) whereby DJ1 may earn up to a 60% interest in the SAM property located east of Flin Flon, northern Saskatchewan. Under terms of the agreement DJ1 may earn 60% interest in the property by completing exploration expenditures of $4,000,000, making cash payments of $500,000 and issuing 1,000,000 voting class common shares to Taiga over a 4-year period. Taiga will retain a 2% NSR, with a buy-down to 1% at any time upon payment to Taiga of $1,000,000.

|  |  |  |  |
| --- | --- | --- | --- |
| Cash | Share | Exploration |  |
| Payments | Payments | Expenditures | Due Date |
| $ 10,000 | - | $ - | Letter of intent (August 17, 2020) (received) |
| 20,000 | - | - | On the effective date (August 26, 2020) (received) |
| 20,000 | 150,000 | - | Earlier of date of going public and 120 days following the effective date. (received cash subsequent to the year-end) |
| 20,000 | 50,000 | 100,000 | June 30, 2021 |
| - | 200,000 | - | 12 months after going public |
| 60,000 | 200,000 | 600,000 | 18 months after going public |
| 100,000 | 200,000 | 800,000 | 30 months after going public |
| 270,000 | 200,000 | 1,000,000 | 42 months after going public |
| - | - | 1,500,000 | 54 months after going public |
| $ 500,000 | 1,000,000 | $ 4,000,000 |  |

**6. Financial Instruments**

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 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – 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 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Company’s financial assets measured at fair value by level within the fair value hierarchy.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **December 31, 2020** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  |  |  |  |  |
| **Assets:** |  |  |  |  |
| **Cash and cash equivalents** | **$ 558,269** | **$ -** | **$ -** | **$ 558,269** |
| **Investments** | **$ 68,750** | **$ -** | **$ -** | **$ 68,750** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| December 31, 2019 | Level 1 | Level 2 | Level 3 | Total |
|  |  |  |  |  |
| Assets: |  |  |  |  |
| Cash and cash equivalents | $ 31,817 | $ - | $ - | $ 31,817 |

The Company holds various forms of financial instruments. The nature of these instruments and the Company’s operations expose the Company to concentration risk, credit risk, currency risk, commodity price risk and liquidity risk.

**6. Financial Instruments - continued**

The Company manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent practical.

1. Concentration risk

At December 31, 2020 and 2019, substantially all of the Company’s cash and cash equivalents were held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions.

1. Credit risk

The Company is exposed to credit risk, which is the risk that a customer or counterparty will fail to perform an obligation or settle a liability, resulting in financial loss to the Company. The Company manages exposure to credit risk by adopting credit risk guidelines that limit transactions according to counterparty credit worthiness. The maximum credit exposure associated with cash and cash equivalents and accounts receivable is their carrying values on the statements of financial position.

1. Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At December 31, 2020, the Company held cash of $4,309 (2019 - $62) in US$. The Company is not exposed to significant currency risk.

1. Price risk

The Company’s investments designated as FVTPL are traded on the TSX Venture, TSE and CSE. A 10% change in the cumulative quoted share price would change the fair value of the investments by approximately $7,000 (2019 - $nil). The change would be recorded in the statements of comprehensive income (loss).

1. Commodity price risk

The value of the Company’s mineral resource properties is related to the price of various commodities and the outlook for them. Commodity prices have historically fluctuated widely and are affected by numerous factors outside of the Company’s control, including, but not limited to, industrial retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production and short-term changes in supply and demand.

1. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company’s reputation. The contractual financial liabilities of the Company as of December 31, 2020 equal $51,090. All of the liabilities presented as accounts payable and accrued liabilities are due within 30 days of December 31, 2020.

**7. Related Party Transactions**

The Company was involved in the following related party transactions during the year:

1. The Company is related to Eagle Plains Resources Ltd. through common directors. During the year the Company had the following transactions with the related company:

|  |  |  |
| --- | --- | --- |
|  | **2020** | 2019 |
| Administrative services provided by EPL | **$ 57,672** | $ 57,672 |
| Costs reimbursed to EPL\* | **$ 324,808** | $ 37,989 |
| Exploration services provided by EPL | **$ 142,661** | $ 287,704 |
| Proceeds from exercise of EPL options (Note 10) | **$(142,807)** | $ - |

At December 31, 2020, $19,442 (2019 - $28,075) is included in accounts payable and accrued liabilities.

**7. Related Party Transactions - continued**

At December 31, 2020, $23,467 (2019 - $nil) is included in accounts receivable.

\*Includes $282,749 for spin-out costs repaid to Eagle Plains per the Plan of Arrangement (Note 8).

1. Included in professional fees is $9,841 (2019 - $7,338) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner.

Compensation to key management

Compensation to key management personnel in the year was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2020** | 2019 |
| Administration costs |  |  |  |
| Consulting fees | to a company owned by a director |  |  |
|  | and officer of Taiga | **$ 105,000** | $ 90,000 |
| Director fees | to directors of Taiga | **15,000** | - |
| Wages and benefits | to directors and officers of Taiga | **104,365** | 112,339 |
| Professional fees | to a director and officer of Taiga | **49,500** | 45,000 |
| Share-based payments | to directors and officers of Taiga | **177,927** | 14,068 |
|  |  | **$ 451,792** | $ 261,407 |

1. Included in administration costs is $105,000 (2019 - $90,000) paid or accrued for management services to a company owned by a director and officer of the Company.
2. Included in administration costs is $104,365 (2019 - $112,339) paid or accrued for wages and benefits to directors and officers of the Company.
3. Included in professional fees is $49,500 (2019 - $45,000) paid or accrued for accounting services to a director and officer of the Company.
4. Director fees of $15,000 (2019 - $nil) were paid to two directors of the Company.
5. The Company granted 1,800,000 (2019 – 300,000) options, with exercise prices of $0.20 (2019 - $0.20) and expiry dates of April 28, 2025 (2019 – August 15, 2024), to directors of the Company and recorded share-based payments of $177,927 (2019 - $14,068).

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

**8. Commitments and Contingencies**

All expenses or costs of the 2018 Plan of Arrangement, including without limitation, financial, advisory, accounting, marketing, exchange review and listing, shareholder meeting and legal fees and costs, incurred by a party were borne by Eagle Plains. Taiga agreed to reimburse Eagle Plains for all such fees and costs (totalling $282,749) contingent upon any one or more of the following events occurring within three (3) years of the Listing Date:

(a) Taiga completing equity financing raising net proceeds of $1,000,000 or greater; or

(b) SGO Mining Inc. exercising its option to acquire 80% of the Fisher project resulting in Taiga receiving a $3,000,000 purchase payment; or

(c) Immediately prior to completion of a corporate takeover, merger, amalgamation, capital reorganization or similar transaction resulting in a change of control of Taiga, or a sale of the property and assets of Taiga as or substantially as an entirety to any other party.

The Company met the first event in the year and reimbursed the costs.

Per the 2018 Plan of Arrangement, the Company has agreed to issue shares upon the exercise of options and/or warrants in Eagle Plains on the basis of one Taiga share for every 2 Eagle Plains shares exercised. As at December 31,

**8. Commitments and Contingencies - continued**

2020, the total commitment is for 1,642,500 options exercisable at $$0.15 with expiry dates of March 31, 2022 to February 19, 2023 and 2,217,000 warrants exercisable at $0.40 and expiring February 7, 2022. The Company will receive a pro-rata share of the exercise proceeds from Eagle Plains.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers’ management contracts a change of control clause that would entitle them to compensation of twenty-four (24) months’ salary or a lump sum payment as disclosed in their contract should such an event occur.

**9. Capital Management**

The Company includes cash and cash equivalents and shareholders’ equity, comprising of issued common shares and contributed surplus and deficit, 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; 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. There were no changes in the Company’s approach to capital management during the years ended December 31, 2020 and 2019. The Company is not subject to externally imposed capital requirements.

**10. Equity Instruments**

1. Authorized

Unlimited number of common shares without nominal or par value.

Unlimited number of preference shares, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

1. Issued and outstanding

At December 31, 2020, there were 81,745,823 (2019 – 63,887,050) shares outstanding.

* On April 16, 2019, the Company completed a non-flow-through financing, issuing 2,560,000 shares for proceeds of $204,800.
* On May 3, 2019, the Company completed a 2nd tranche non-flow-through financing, issuing 53,000 shares for proceeds of $4,240.
* On February 6, 2020, the Company completed a non-flow-through financing, issuing 15,551,273 shares for proceeds of $1,399,615. The Company incurred share issue costs of $30,293.
* In the second quarter, the Company issued 1,020,000 shares from the exercise of Eagle Plains’ options and received proceeds of $99,500.
* In the second quarter, the Company issued 437,500 shares from the exercise of share purchase warrants and received proceeds of $64,500.

**10. Equity Instruments - continued**

* In the third quarter, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of $18,000.
* In the third quarter, the Company issued 430,000 shares from the exercise of Eagle Plains’ options and received proceeds of $28,640.
* In the fourth quarter, the Company issued 220,000 shares from the exercise of Eagle Plains’ options and received proceeds of $14,667.
* in the fourth quarter, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of $18,000.

Financings

On February 6, 2020, the Company closed a non-brokered private placement to arms-length and non-arms-length investors which comprised of 15,551,273 non-flow-through units for gross proceeds of $1,399,615. Non-flow-through units were sold at a price of $0.09 per unit, with each unit consisting of one non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at $0.18 for a 24-month period.

On April 16, 2019 and May 3, 2019, the Company closed a non-brokered financing offered to arms-length and non-arm’s length investors and was comprised of 2,613,000 non-flow-through units for a total issuance of 2,613,000 shares and gross proceeds of $209,040. Non-flow-through units were sold at a price of $0.08 per unit, each unit consisting of a non-flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $0.12 for a 24 month period.

1. Stock Option Plan

The Company has a stock option plan for employees, directors, officers and consultants. Stock options can be issued up to a maximum number of common shares equal to 10% of the issued and outstanding common shares of the Company. The exercise price of options granted is not less than the market price of the common shares traded less the available discount under Canadian Securities Exchange policies, and is determined by the Board of Directors. Options granted can have a term of up to 10 years.

During the years ended December 31, 2020 and 2019, the Company had the following stock option activities:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | Weighted |
|  | Number of | Option Price per | Average Exercise |
| Total issued and outstanding | Options | Share Range | Price |
| Balance, December 31, 2018 | 5,200,000 | $ 0.20 | $ 0.20 |
| Granted | 300,000 | 0.20 | 0.20 |
| Cancelled | (395,000) | (0.20) | (0.20) |
| Balance December 31, 2019 | 5,105,000 | $ 0.20 | $ 0.20 |

|  |  |  |  |
| --- | --- | --- | --- |
| Balance, December 31, 2019 | 5,105,000 | $ 0.20 | $ 0.20 |
| Granted | 2,700,000 | 0.20 | 0.20 |
| Cancelled | (205,000) | (0.20) | (0.20) |
| **Balance, December 31, 2020** | **7,600,000** | **$ 0.20** | **$ 0.20** |

At December 31, 2020, the following table summarized information about stock options outstanding:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  | Weighted |
| Options |  |  | Number of | Average |
| Outstanding | Exercise | Expiry | Options | Remaining |
| Dec 31, 2020 | Price | Date | Exercisable | Life |
| 4,615,000 | $0.20 | July 20, 2023 | 4,615,000 | 2.55 years |
| 300,000 | $0.20 | August 15, 2024 | 300,000 | 3.63 years |
| 2,685,000 | $0.20 | April 28, 2025 | 2,585,000 | 4.33 years |
| **7,600,000** |  |  | **7,500,000** | **3.22 years** |

**10. Equity Instruments - continued**

1. Share-based payments for share options

During the year ended December 31, 2020, $257,006 (2019 – $21,250) was recorded as share-based payments related to options issued and vested during the year. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period. The Company valued the options using the Black Scholes model.

The Company valued the options granted in the year using the Black-Scholes model and the following weighted average assumptions:

|  |  |  |
| --- | --- | --- |
|  | 2020 | 2019 |
| Expected annual volatility | 92.76% | 99.34% |
| Expected risk free rate | 0.41% | 1.17% |
| Expected term | 5 years | 5 years |
| Expected dividends | - | - |
| Share price at date of grant | $0.15 | $0.08 |
| Exercise price | $0.20 | $0.20 |

Expected volatility is estimated using the historical stock price of the Company.

1. Warrants outstanding

AtDecember 31, 2020, the Company had 20,157,773 (2019 – 5,244,000) warrants outstanding exercisable from $0.12 to $0.40 (2019 - $0.12 - $0.40) and expiring from June 6, 2021 to February 7, 2022.

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | Weighted  Average |
|  | Number of | Option Price per | Exercise |
| Total issued and outstanding | Warrants | Share Range | Price |
| Balance, December 31, 2018 | 3,937,500 | $ 0.40 | $ 0.40 |
| Issued | 1,306,500 | 0.12 | 0.12 |
| Balance December 31, 2019 | 5,244,000 | $0.12 - 0.40 | $ 0.33 |

|  |  |  |  |
| --- | --- | --- | --- |
| Balance, December 31, 2019 | 5,244,000 | $0.12 - 0.40 | $ 0.33 |
| Issued | 15,551,273 | 0.18 | 0.18 |
| Exercised | (637,500) | ($0.12 – 0.18) | (0.16) |
| **Balance, December 31, 2020** | **20,157,773** | **$0.12 - 0.40** | **$ 0.22** |

At December 31, 2020, the following table summarizes information about warrants outstanding:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | Weighted |
| Warrants |  |  | Average |
| Outstanding | Exercise | Expiry | Remaining |
| Dec 31, 2020 | Price | Date | Life |
| 3,937,500 | $0.40 | June 6, 2021\* | 0.43 years |
| 1,042,500 | $0.12 | April 15, 2021\*\* | 0.29 years |
| 26,500 | $0.12 | May 3, 2021 | 0.34 years |
| 15,151,273 | $0.18 | February 7, 2022 | 1.10 years |
| 20,157,773 |  |  | 0.93 years |

\* On May 26, 2020, the Company extended the expiry date one year to June 6, 2021.

All other terms remain unchanged.

\*\*42,000 warrants expired unexercised. The rest were exercised subsequent to the year-end (note 13).

**11. Per Share Amounts**

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the year ended December 31, 2020 of 78,994,830 shares (2019 – 63,139,461). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had anti-dilutive effect for the years ended December 31, 2020 and 2019.

**12. Income Taxes**

As of December 31, 2020 and 2019, the effective tax rate of income varies from the statutory rate as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | 2020 |  | 2019 |
| Loss before income taxes |  | $ (1,270,151) |  | $ (6,317,448) |
| Statutory tax rates |  | 25.0% |  | 26.5% |
| Tax recovery at statutory rate |  | (318,000) |  | (1,674,000) |
| Effect of tax rate change |  | 20,000 |  | 26,000 |
| Non-deductible taxable items |  | 66,000 |  | 1,552,000 |
| Tax benefits unrecognized |  | 232,000 |  | 96,000 |
| Deferred income tax recovery |  | $ - |  | $ - |

The components of the Company’s deferred income tax asset (liability) are a result of the origination and reversal of temporary differences and are comprised of the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Nature of deferred income tax asset (liabilities) |  | 2020 |  | 2019 |
| Exploration and evaluation assets |  | $ (63,000) |  | $ (107,000) |
| Non-capital tax losses |  | 391,000 |  | 201,000 |
| Share issue costs |  | 8,000 |  | 4,000 |
| Deferred income tax assets |  | 336,000 |  | 98,000 |
| Unrecognized deferred tax assets |  | (336,000) |  | (98,000) |
| Deferred income tax liability |  | $ - |  | $ - |

As of December 31, 2020, non-capital tax losses subject to confirmation by income tax authorities, the Company has approximately the following available tax pools, deductible from future taxable income at rates prescribed by the Canadian Income Tax Act expiring:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 2020 |  |
| 2038 |  | $ 417,000 |  |
| 2039 |  | 435,000 |  |
| 2040 |  | 848,000 |  |
|  |  | $ 1,700,000 |  |

As at December 31, 2020, the Company has unrecognized deferred tax liabilities of approximately $32,200 (2019 - $32,200) due to temporary differences arising on the initial recognition of the acquisition of the Spin-out Properties.

**13. Subsequent Events**

On January 5, 2021, the Company received an earn-in notice from partner SSR Mining Inc. that it has satisfied its commitments and has exercised the second option earn-in for an 80% aggregate interest in the Fisher pursuant to the Option Agreement. In accordance with the Agreement, SSR Mining recently made a cash payment of $3,000,000 to Taiga. A joint venture comprised of SSR Mining (80%) and Taiga (20%) has now been formed (the “Fisher JV”).

**13. Subsequent Events - continued**

In 2021, the Company issued 1,087,000 common shares for the exercise of warrants, receiving proceeds of $134,040.

On January 14, 2021 and January 29, 2021, the Company received 250,000 shares (valued at $62,500) and $25,000, respectively, pursuant to the Leland option agreement.

On January 21, 2021, the Company received $20,000 pursuant to the SAM Gold property option agreement.

On April 16, 2021, the Company closed a non-brokered private placement to arms-length and non-arms-length investors which comprised of 12,495,000 flow-through units for gross proceeds of $2,499,000. Flow-through units were sold at a price of $0.20 per unit, with each unit consisting of one flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at $0.30 for a 30-month period. An early expiry is triggered if the Company’s closing price is equal to or greater than $0.60 for 10 days.

**Taiga Gold Corp.**

**(An Exploration Stage Corporation)**

**Management Discussion and Analysis**

**As at December 31, 2020**

**Management Discussion and Analysis**

**Year-end and Fourth Quarter, 2020**

This Management’s Discussion and Analysis (“MD&A”) of Taiga Gold Corp. (“Taiga” or the “Company”) is dated April 22, 2021 and provides a discussion of the Company’s financial and operating results for the quarter and years ended December 31, 2020 and 2019 with comparisons to previous quarters. This MD&A should be read in conjunction with the quarterly financial statements and the most recently published annual audited financial statements and notes.

**Business Overview**

Taiga Gold Corp. was incorporated on September 28, 2017 under the laws of the province of Alberta. The Company is a natural resource company, at the exploration stage, engaged in the acquisition and exploration of resource properties in the province of Saskatchewan. Taiga was involved in a Plan of Arrangement in 2018 to spin-out assets comprised of mineral properties and cash from Eagle Plains Resources Ltd. (“Eagle Plains” or “EPL”). Upon closing of the Plan of Arrangement, Taiga holds properties in Saskatchewan for the purpose of exploring for, and the development of mineral resources. The Company currently has 4 properties under option agreements with third parties with exploration activity taking place on three of them.

**Joint Venture Formed**

On January 5, 2021, Taiga received an earn-in notice from partner SSR Mining Inc**.** that it has satisfied its commitments and has exercised the second option earn-in for an 80% aggregate interest in the Fisher Project pursuant to the Option Agreement (the “Agreement”). In accordance with the Agreement, SSR Mining has recently made a cash payment of CDN$3,000,000 to Taiga, completed over $4,000,000 in exploration expenditures, reimbursed $400,000 for initial exploration work and previously made an additional $400,000 in cash payments to Taiga and predecessor Eagle Plains (for total payments to Taiga/Eagle Plains of $3,800,000). A joint venture comprised of SSR Mining (80%) and Taiga (20%) has now been formed (the “Fisher JV”). See news release January 5, 2021.

**Selected Annual Information**

Selected annual information from the audited financial statements for the years ended December 31, 2020, 2019 and 2018 is presented in the table below. The financial data has been prepared in accordance with International Financial Reporting Standards (“IFRS”) and is reported in Canadian dollars.

|  |  |  |  |
| --- | --- | --- | --- |
| December 31 | 2020 | 2019 | 2018 |
| Operating revenues | $ 7,279 | $ nil | $ nil |
| Loss for the year | (1,270,150) | (6,317,448) | (912,923) |
| Loss per share - Basic | (0.00) | (0.10) | (0.02) |
| Diluted loss per share | (0.00) | (0.10) | (0.02) |
| Total assets | 1,252,403 | 679,052 | 6,790,403 |
| Total long term liabilities | - | - | - |

**RESULTS OF OPERATIONS - ANNUAL**

For the year ended December 31, 2020, the Company recorded a net loss of $1,270,150 (2019 - $6,317,448). The primary reason for the difference is due to a write-down of exploration and evaluation assets in 2019 of $5,860,000.

**Revenue**

The Company realized $7,279 (2019 - $nil) in revenue related to being the operator on option agreements.

Other income of $4,337 (2019 - 4,303) includes investment income of $4,181 (2019 - $3,841) for interest earned on deposits, loss on US exchange of $nil (2019 - $(1,852)) and miscellaneous income of $156 (2019 - $2,314).

The Company included $nil (2019 - $26,759) in income for the premium paid on flow-through shares issued in the year. The premium on flow-through shares represents the estimated premium investors paid for flow-through shares and as the flow-through funds are expended the premium is recognized as other income.

The Company recorded an unrealized loss on investments of $3,750 (2019 - $nil). This represents the adjustment between bid market price and cost at December 31, 2020.

**Expenditures**

Operating expenses for the year were $722,967 (2019 – $467,260). The increase is due primarily to planned marketing programs

**Taiga Gold Corp.**

**(An Exploration Stage Corporation)**

**Management Discussion and Analysis**

**December 31, 2020**

**RESULTS OF OPERATIONS – ANNUAL - continued**

promoting the Company.

Administration costs of $256,111 (2019 - $282,245) decreased due to wages recovered via the Covid-19 CEWS program of $66,621 (2019 - $nil) offset by increases in director fees paid of $15,000 (2019 - $nil) and CEO fees paid of $105,000 (2019 - $90,000).

Professional fees of $75,503 (2019 - $65,581) increased due to CFO fees of $49,500 (2019 - $45,000), audit fees of $19,704 (2019 - $15,000), of which $3,704 relates to 2019, and legal fees of $6,299 (2019 - $5,582).

Trade shows, travel and promotion of $357,881 (2019 - $87,058) increased due to planned digital media advertising in an effort to increase the Company’s presence in the market.

The Company recorded other expense of $285,787 (2019 - $nil) for spin-out costs reimbursed to Eagle Plains per the 2018 Plan of Arrangement.

The Company recorded share-based payments of $257,006 (2019 - $21,250) for options issued and/or vested in the year.

**Liquidity and Financial Resources**

At December 31, 2020, the Company had working capital (deficit) of $738,266 (2019 - $(24,915)). The increase is due to financing proceeds received in the year, property option payments received, proceeds from the exercise of EPL options and Taiga warrants offset by ongoing operating costs and exploration expenditures made in the year. The Company completed a financing in February 2020 for gross proceeds of $1,399,615.

Per the 2018 Plan of Arrangement, the Company has agreed to issue shares upon the exercise of options and/or warrants in Eagle Plains on the basis of one Taiga share for every 2 Eagle Plains shares exercised. As at December 31, 2020, the total commitment is for 1,642,500 options exercisable at $0.15 with expiry dates of March 31, 2022 to February 19, 2023 and 2,217,000 warrants exercisable at $0.40 and expiring February 7, 2022. The Company will receive a pro-rata share of the exercise proceeds from Eagle Plains. The Company received $142,807 in 2020 for options exercised.

The Company has no other long term debt obligations or other commitments for capital expenditures.

The Company’s continuing operations can be financed by cash on hand. Expanded operations or aggressive exploration programs would require additional financing, primarily through the public equity markets, or through joint venture partnerships. Circumstances that could affect liquidity are significant exploration successes or lack thereof, new acquisitions, changes in metal prices and the general state of the equity markets for junior exploration companies. The exploration and development programs of the Company are determined by management with all of the above taken into consideration.

**Exploration and Evaluation Assets**

The required detailed schedule of Exploration and Evaluation Assets is included in the Company’s financial statements. For details of option agreements on properties refer to Note 5 in the financial statements.

The Company had acquisition and exploration expenditures of $56,060 (2019 - $288,008) on exploration and evaluation properties in the year, received option payments of $207,500 (2019 - $75,000). The Company wrote down exploration and evaluation assets of $12,257 (2019 - $5,860,000) as management determined that this amount in 2019, which was part of the fair value allocated for the spin-out transaction in 2018, was not recoverable. As a result of the foregoing, exploration and evaluation assets totaled $463,047 at December 31, 2020 down from $626,744 at December 31, 2019.

Following are synopses of current Taiga properties with activity under option agreements:

**Chico** (Au)

On December 9, 2016,Eagle Plains entered into an option agreement (subsequently transferred from Eagle Plains to Taiga per the Plan of Arrangement) withAben Resources Ltd. (“Aben”) whereby Aben has the exclusive right to earn an undivided 80% interest in the Chico Gold Project located in Saskatchewan and south of SGO Mining Inc.’s Seabee/Santoy mine complex. Aben may earn an initial 60% interest by incurring $1,500,000 in exploration expenditures, issuing 1,500,000 common shares and making cash payments totalling $100,000 over 4 years.  Upon earning this 60% interest, Aben may elect to exercise a second option to earn a further 20% interest within 90 days by making a $50,000 cash payment and issuing 1,000,000 common shares to EPL , and incurring an additional $2,000,000 in exploration expenditures within two years of the date of election.

The 4,716 ha Chico property is a highly prospective precious-metal exploration project. The core claims were acquired in 2015, with additional claims added in 2016 and, in 2017 EPL acquired 6 additional mineral dispositions for a total area of 1,799 ha located adjacent to the original holdings through a combination of staking and the completion of a purchase agreement with V. Mitchell (an unrelated third-party vendor) whereby Mr. Mitchell received a combination of $10,000 cash and 100,000 common shares of Eagle

**Taiga Gold Corp.**

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**Management Discussion and Analysis**

**December 31, 2020**

**Exploration and Evaluation Assets - continued**

**Chico (Au) – continued**

Plains at a deemed price of $0.15 per share. These specific dispositions will be subject to a 1% NSR which includes a buy-down provision. All additional tenures are expected to be included in the current option agreement with Aben and therefore subject to the terms and conditions of that agreement.

A comprehensive data compilation of historic work was conducted in the summer of 2016 by EPL. This work was followed by a ground-based exploration program and an airborne geophysical survey.  This work guided an I.P. geophysical survey in 2017 which determined the responses associated with known surface gold mineralization at the Chico/Royex and Western structural trends. These were used to refine future drill targets.  Results of this work revealed in general that known surface mineral showings tend to have relatively small IP anomaly signatures with chimney-like geometries that appear to expand in size and strength with depth and that mineralization potentially increases below depths of 75 to 125m vertical.

Project Highlights

* Excellent geology favourable for gold deposits
* Significantly underexplored with encouraging early results
* On-trend with the currently producing Seabee Mine
* Multiple Au showings associated with favourable geology
* Numerous high-grade Au showings focused along a major structure

Based on the interpretation of the work to date it is recommended that a 1200 - 1600m drill program be carried out to test the sub-vertical projections of known surface geochemical and geological targets at, or below depths of 125m, into elevated zones of chargeability.

On March 23, 2018, the Company and Aben made the decision to suspend the planned and permitted drill program as a result of a request by the citizens of the community of Pelican Narrows and members of the Peter Ballantyne Cree Nation. As a result, the option

agreement has been placed in force majeure and all future payments are suspended. Aben may revisit plans to explore the property in

the future, following meaningful consultation with the community and PBCN members. The Company has been carrying on consultations with the Pelican Narrows indigenous community with encouraging results.

**Fisher Gold Project** (Au, U)

On October 5, 2016, Eagle Plains entered into an option agreement (subsequently transferred from Eagle Plains to Taiga per the Plan of Arrangement) with SSR Mining Inc. (formerly Silver Standard Resources Inc., subsequently transferred to SGO Mining Inc., a wholly-owned subsidiary) (“SGO”)whereby SGO could earn up to a 60% interest in the property, located in Saskatchewan. To earn a 60% interest over four years, SGO agreed to complete $4,000,000 in exploration expenditures, make an initial cash payment of $100,000 and make annual cash payments of $75,000. Once the 60% earn-in has been completed, SGO has a 365-day, one-time option (by agreement dated October 15, 2018 with SGO, Taiga agreed to extend the time period under the option agreement for SGO to exercise its right to acquire an additional 20% undivided interest in the Fisher property from 90 days to 365 days) to earn an additional 20% interest (for a total of 80%) by making a cash payment of $3,000,000 to Taiga, at which time an 80/20 joint-venture will be formed to further advance the property. Taiga will retain a Net Smelter Return (“NSR”) ranging from 0.5% to 2.5% depending on the location of the claims as set out in the agreement, subject to reduction on certain claims by underlying NSR agreements. Taiga’s NSR may be reduced by 1% at any time upon payment of $1,000,000 by the joint venture. In addition, Taiga will receive advance royalty payments of $100,000 annually from the joint venture until commencement of commercial production. Taiga has an agreement to pay a third party a 1% net smelter return on certain claims as described in an underlying agreement.

Acquired by EPL between 2012 and 2016, the 33,171 ha Fisher Property is located approximately 135 km ENE of La Ronge, Saskatchewan. It is centred 5 km south of the Seabee Gold Operation's Santoy Mine, owned and operated by SSR Mining (formerly Silver Standard Resources).  The claims are accessible by an all season road from the nearby Seabee Gold Operation for the deployment of heavy equipment and exploration crews. Numerous lakes and the transecting Churchill River allow for access by fixed wing float/ski equipped aircraft from Missinipe/Otter Lake, a road accessible town located approximately 100 km west of the property.

On January 5, 2021, Taigareceived an earn-in notice from partner SSR Mining Inc. (“SSRM”) that it has satisfied its commitments and has exercised the second option earn-in for an 80% aggregate interest in the Fisher Project pursuant to the Option Agreement (the “Agreement”). In accordance with the Agreement, SSRM made a cash payment of $3,000,000 to Taiga. A joint venture comprised of SSR Mining (80%) and Taiga (20%) has now been formed (the “FisherJV”). Taiga is entitled to receive $100,000 annual advance royalty payment from the FisherJV.

On February 17, 2021, Taiga received a report from SGO Mining Inc., a wholly-owned subsidiary of SSR Mining Inc. containing complete analytical results from 2020 drilling on the Fisher Property.

Drilling was carried out in two phases completed during 2020Q1 and 2020Q4 and was financed by SSRM while under option from Taiga (prior to formation of the Fisher JV). 37 holes were completed in 2020 for a total 12,976m (42,561’). Four showing areas were tested during the program, with significant high-grade mineralization discovered in four separate areas and visible gold reported in seven holes. Continuous, high-grade mineralization was delineated at the Mac North area, which is now considered a resource

**Taiga Gold Corp.**

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**Management Discussion and Analysis**

**December 31, 2020**

**Exploration and Evaluation Assets – continued**

**Fisher Gold Project** (U, Au) – continued

definition target by the Fisher JV. Significant results (>1 g/t Au) were reported in 58 separate sample intervals in 21 holes from the Mac North, Mac North Hanging Wall, CGR West and Yin showing areas, with highlights summarized below.

Since optioning the Fisher Property in 2016, SSRM has completed extensive systematic exploration including prospecting, soil geochemical sampling, detailed geological mapping, geophysical surveys and completed a total of 34,583m (113,461’) of drilling in 87

holes for expenditures totalling over $12,000,000, resulting in over 15,000 individual core samples. In addition, SSRM has made cash payments to Taiga and predecessor Eagle Plains of $3,800,000.

**Highlights:**

* Widespread high-grade mineralization discovered by drilling at Mac North Zone over a down-plunge area of 250m x 600m, open in all directions; resource definition drilling planned,
* New discovery made at the Yin Zone, adjacent to the Seabee Gold Operation boundary with results of 13.74 g/t Au over 2.29m\*, including 55.5 g/t Au over 0.53m (previously reported);
* Visible gold reported in 7 holes throughout the property area,
* Taiga recently received CDN$3,000,000 from SSRM upon formation of joint-venture,
* Taiga independently holds a 2.5% NSR on the majority of the Fisher property area including an annual $100,000 advance royalty payment. Certain areas subject to underlying royalties,
* Numerous high potential targets remain untested, winter drilling planned for 2021Q1

SSRM reported $3.24 million in exploration expenditures on the Fisher Property in 2020 with programs designed to target a mineral resource discovery. 2021 goals for the program are to complete resource definition drilling, further testing of areas of known mineralization and to further identify drill targets for testing evolving models in a structural setting similar to that observed at the nearby

producing Santoy mine.

Significant Fisher 2020 Drill Results

Partial results for the 2020 drill program have been previously released. Summarized intercepts for unreleased drillholes are reported below, with [additional analytical data](https://www.taigagold.com/sites/default/files/Summary%20Au%20greater%20than%201gm%20at%20Fisher_0.pdf) available on the Taiga website. See news release February 17, 2021. Analytical results range from trace values to the following:

| **Hole ID** | **Interval (m)** | | **Gold (g/t)** | **Drilled Width (m)\*** | **Grade x Width** | **Zone** |
| --- | --- | --- | --- | --- | --- | --- |
| FIS-20-036 | 204.0 | 205.0 | 1.3 | 1.0 | 1.3 | CGR West |
| FIS-20-037 | 386.0 | 387.5 | 1.03 | 1.5 | 1.55 | Mac North |
| FIS-20-037 | 412.0 | 413.0 | 3.0 | 1.0 | 3.0 | Mac North |
| FIS-20-040 | 144.8 | 146.05 | 1.89 | 1.25 | 2.36 | Mac North HW |
| FIS-20-040 | 347.0 | 348.5 | 2.07 | 1.5 | 3.11 | Mac North HW |
| FIS-20-041 | 187.0 | 187.5 | 1.06 | 0.5 | 0.53 | Mac North / Mac North HW |
| FIS-20-045 | 327.0 | 328.5 | 2.19 | 1.5 | 3.29 | CGR West |
| FIS-20-050 | 165.14 | 166.1 | 1.58 | 0.96 | 1.52 | Mac North HW |
| FIS-20-050 | 212.5 | 213.0 | 3.43 | 0.5 | 1.72 | Mac North HW |
| FIS-20-056 | 321.0 | 324.0 | 1.06 | 3.0 | 3.18 | Mac North |
| including | 321.0 | 321.8 | 2.37 | 0.8 | 1.90 | Mac North |
| FIS-20-057 | 318.0 | 324.0 | 3.95 | 6.0 | 23.70 | Mac North |
| including\*\* | 318.0 | 318.5 | 10.31 | 0.5 | 5.16 | Mac North |
| and | 320.5 | 321.0 | 5.18 | 0.5 | 2.59 | Mac North |
| and | 321.0 | 321.5 | 4.06 | 0.5 | 2.03 | Mac North |
| and | 323.0 | 324.0 | 10.37 | 1.0 | 10.37 | Mac North |
| and\*\* | 324.0 | 325.0 | 2.23 | 1.0 | 2.23 | Mac North |
| FIS-20-058 | 451.0 | 451.75 | 1.44 | 0.75 | 1.08 | Mac North |
| FIS-20-059 | 234.75 | 235.75 | 1.37 | 1.0 | 1.37 | Mac North |
| FIS-20-060 | 418.8 | 419.65 | 2.5 | 0.85 | 2.12 | Mac North |

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**Exploration and Evaluation Assets – continued**

**Fisher Gold Project** (U, Au) – continued

| **Hole ID** | **Interval (m)** | | | **Gold (g/t)** | | | | **Drilled Width (m)\*** | **Grade x Width** | | **Zone** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| FIS-20-060 | | | 583.0 | | | 584.5 | | 2.26 | 1.5 | 3.39 | Mac North |
| FIS-20-060\*\* | | | 776.04 | | | 776.61 | | 5.86 | 0.57 | 3.34 | Mac North |
| FIS-20-061 | | | 428.0 | | | 429.5 | | 1.47 | 1.5 | 2.21 | Mac North |
| FIS-20-061 | | | 613.0 | | | 614.0 | | 10.37 | 1.0 | 10.37 | Mac North |
| YIN-20-002 | | 87.0 | | | 89.5 | | 10.03 | | 2.5 | 25.08 | Yin |
| including | | 87.0 | | | 88.5 | | 10.83 | | 1.5 | 16.25 | Yin |
| including | | 88.5 | | | 89.5 | | 8.82 | | 1.0 | 8.82 | Yin |

\*drilled widths estimated at 70-90% of true widths

\*\*visible gold reported in drill core

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**Exploration and Evaluation Assets – continued**

**Leland Gold Project** (Au,Cu,Zn)

OnMay 20, 2020, Taiga executed an option agreement with SKRR Exploration Inc. (“SKRR”) whereby SKRR may earn up to a 75% interest in the Leland property (the “Property”) located east of La Ronge, northern Saskatchewan. Under terms of the agreement SKRR may earn its’ initial 51% interest in the property by completing exploration expenditures of $1,500,000, making cash payments of $500,000 and issuing 1,000,000 voting class common shares to Taiga over a 3 year period. Taiga will retain a 2% NSR, with a buy-down to 1% at any time upon payment to Taiga of $1,000,000. To earn the additional 24% interest in the Property, SKRR agrees to make additional exploration expenditures of $1,500,000 ($3,000,000 total) on the Property and to issue an additional 500,000 common shares of SKRR to Taiga on or before December 31, 2023.

The 11,761ha Leland Property is a highly prospective precious-metal exploration project and 100% owned by Taiga. It is accessible by fixed wing aircraft and winter road from the village of Pelican Narrows located approximately 57km SE which in turn is serviced by an airport, Hwy 135, an all-weather road, and a hydro power grid. The claims are also accessible by winter road from the nearby Seabee/Santoy mine complex for the deployment of heavy equipment and exploration crews.

There are five known mineral occurrences on the Leland Property and five additional mineral occurrences within 4 km. Gold mineralization occurs in structurally-hosted quartz veins and base-metal mineralization in shear zones.

Property highlights include numerous high-grade gold occurrences including up to 60 g/t (1.75 oz/T) gold associated with structurally-hosted quartz veins.

A $265,000 field program was completed on the project in late 2019 and consisted of an 86 line-km airborne geophysical survey, geological mapping and sampling, trenching, prospecting and detailed soil geochemical sampling. The Company reported encouraging mineralization was uncovered as a result of the three-phase geological and geophysical program.

The most significant showing area discovered on the property to date, called the Simon-Irving trend, was the subject of a drone airborne magnetic geophysical survey conducted by Zen Geomap Inc. The 86 line-kilometer survey, completed over a 2.6km x 1.5km area, utilizes an industry-innovative light and sensitive system capable of producing very high-resolution magnetic data. The magnetic data results will be used in tandem with the highly prospective historical and recent assay data to assist in the definition of future drill targets.

2019 Exploration Highlights:

* Gold mineralization grading up to 5.4 g/t Au over 0.65 m within 2.1 g/t Au over 3.22 m (channel sample) from the Irving trench along the Simon-Irving Trend.
* Discovery of 5 new gold-mineralized occurrences along the Simon-Irving trend grading between 113 ppb Au and 3.5g/t Au.
* Historical grab samples reported grading up to 60 g/t Au and 53 g/t Au.
* 86 line-km geophysical survey completed, outlining an important geologic contact along the Simon-Irving trend.
* Soil geochemical results proximal to the Leland showing (SMDI-2390) support samples collected in 2015 and delineate a new zone of anomalous soils to the west of the Leland Showing and northeast of the Simon Showing (SMDI-2388) that are targets for future follow up work.
* Recent staking by Taiga included claims overlying the Duck Lake Occurrence (SDMI 1731) covers two quartz stockwork zones within a shear with the Main Zone traced on surface for 180m. Limited historical grab sampling returned values up to 3.2 g/t Au.

A 2020 fall field program at Leland included detailed prospecting and mapping, infill and grid soil geochemical sampling, channel sampling of trenches and ground truthing of EM mag anomalies generated by 2019 drone survey. Work was focused on the Michelle/Irving area (channel sampling), the East Leland target area (systematic gridded soil sampling) and the newly discovered Irvle magnetic anomaly area (prospecting and soil sampling). An ATV trail was also constructed to provide access from the main camp to the Irving and Simon showing areas. A total of 71 rock samples (34 channel, 35 grab and 2 float) and 135 soil samples were collected and submitted for geochemical analyses. Rock sampling returned values ranging from trace quantities to a high of up to 2.1 g/t Au (grab\*) with channel sampling returning 1.1 g/t over 0.7 m. Results of soil samples ranged from trace quantities to a high of 12.6 ppb Au.  The 2020 field program was successful in verifying and extending the known strike-length exposure of several gold-bearing veins and shears within the Irving-Simon shear zone corridor. *\*Rock grab samples are selective samples by nature and as such are not necessarily representative of the mineralization hosted across the property.*

On January 26, 2021, Taiga and SKRR mobilized personnel in preparation for a 1600m diamond drilling program at the project. The 2021 winter drill program will focus on testing a 1 km strike length of the gold-mineralized shear system between the Irving Lake and Simon Lake showings. This will be the first drill program to test this orogenic gold-bearing system. Targets have been prioritized based on surface rock grab and trenching results, soil geochemistry and detailed airborne (drone) magnetic survey data. Up to a total of 9 holes from 6 pads are slated for the 2021 drill program. A budget of $750,000 has been approved for the drilling.

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**Exploration and Evaluation Assets - continued**

**SAM** (Au,Ag,Cu,Zn)

OnAugust 26, 2020, Taiga executed an option agreement with DJ1 Capital Corp. (“DJ1”) whereby DJ1 may earn up to a 60% interest in the SAM property located east of Flin Flon, northern Saskatchewan. Under terms of the agreement DJ1 may earn 60% interest in the property by completing exploration expenditures of $4,000,000, making cash payments of $500,000 and issuing 1,000,000 voting class common shares to Taiga over a 4 year period.

The 1,004 ha SAM Property is host to the SAM Zone, a volcanogenic massive sulphide (“VMS”) polymetallic deposit with a historical (non-43-101 compliant) resource of 29,024 tonnes at 2.95% Cu. The property lies approximately 15km west of Flin Flon Manitoba and approximately 10 km northwest of both the Flexar and Birch Lake mines. The project is accessible by winter road or boat from Denare Beach to the north end of Amisk Lake where drill roads access the property. Float/ski plane can be used to access Wolverine Lake within the property. The claims are 100% owned by Taiga with no underlying royalties or encumbrances.

Project Highlights

* Host to the SAM Zone - a VMS deposit with a historic resource\* and open to depth
* Excellent geology highly prospective for VMS and orogenic gold mineralization
* Prospective conductive trend to the east and west with limited drill testing
* Numerous gold showings with limited but encouraging shallow drill testing
* Excellent Infrastructure including drill roads and nearby smelter, rail, highway, airport, hydro

*\*Taiga Gold Corp. management considers the mineral resource estimates to be historical in nature and cautions that a Qualified Person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves in accordance with National Instrument 43-101.  These estimates do not comply with current definitions prescribed by National Instrument 43-101 or the Canadian Institute of Mining, and are disclosed only as indications of the presence of mineralization and are considered to be a guide for additional work.  The historical models and data sets used to prepare these historical estimates are not available to Taiga Gold Corp., nor are any more recent resource estimates or drill information on the Property.*

Historical trench sampling of the Wolverine Zone reportedly returned 24.61 g/t gold over 1.0m (Saskatchewan Mineral Deposit Index “SMDI” 2226), while Golden Bear trenches reported values ranging from trace quantities to a high of 9.61 g/t gold over 1.55m (SMDI 2558).

Taiga completed fieldwork on the property in 2018 including geological mapping, prospecting, rock sampling and soil geochemical surveys, focusing on targets generated by a comprehensive geological compilation of all existing historic data. Historical drill collar locations were surveyed by GPS and a total of 783 soil samples and 59 rock samples were collected. The property area was expanded by staking in 2020.

In 2020, Taiga completed fieldwork including soil geochemical sampling, geological mapping and prospecting. Results of this work are pending.

Following are synopses of current Taiga properties with activity but not under option agreements:

**Orchid** (Au,Cu,Mo)

The claims of the Orchid Property are 100% owned by Taiga Gold Corp. and were acquired by EPL in 2014 with additional claims added in 2016 and 2017.  The 8376ha project lies approximately 90km WNW of Flin Flon, MB and is accessible by fixed wing aircraft and winter road from the village of Pelican Narrows located approximately 16km NE, which in turn is serviced by an airport, Hwy 135 and hydro-electric power. The property is considered to hold significant potential to host gold mineralization. On February 19, 2020, the Company added 384 ha to its existing property holdings which are situated along the same structural corridor and within rocks similar to those currently being mined at the Santoy deposit.

The Orchid project was acquired as a result of an internal research program conducted during 2013-2016 for highly prospective Au projects in western Canada. In 2016, a high-resolution airborne geophysical survey was completed over the property area. A comprehensive data compilation of all historic work was completed in early 2017, providing targets to investigate during a field program in the summer of 2017 which included soil sampling in the eastern portion of the property over an untested tonalite-volcanic contact and returned prospective gold-in-soil anomalies. Other notable 2017 field results were grab samples that returned up to 61.30 g/t Au from the historical Orchid zone, and 52.43 g/t Au from Tim’s Showing. The rediscovery of the newly named Tiger Lily Showing found a 1.5 m wide quartz vein where channel sampling returning 6.17 g/t over 1.0 m including 10.11 g/t over 0.5 m. Soil geochemical sampling along strike from the Tiger Lily Showing contains highly anomalous gold (up to 847 ppb Au) in an area extending approximately 400 m from known exposures.

The property has historically been explored for its gold potential since the mid-1980s and contains numerous high-grade mineral occurrences grading from trace values to highs of 41.3 g/t (Orchid Au Zone), 19.2 g/t Au (Tim’s Showing), 12.7 g/t (Eureka), and 8.5 g/t (Terra Zone) as well as significant Ag (144.5 g/t), Cu (3.9%), and Mo (2600 ppm) - *all values returned from grab samples.*

In August 2018, the Company completed an airborne geophysical survey consisting of a 500 line-km high-resolution airborne (drone) magnetic survey, the results of which were combined with extensive historical surface mapping and geochemical data. Following the

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**Exploration and Evaluation Assets - continued**

**Orchid** (Au,Cu,Mo) - continued

airborne survey, 2018 fieldwork was comprised of geologic mapping, prospecting and soil sampling. The objective of 2018 geological work was to establish drill targets for future exploration. The program concluded that the majority of strongly anomalous gold mineralized samples are spatially associated with magnetic high zones and that some of the lithological contacts appear to be prospective for gold mineralization.

Taiga has defined drill targets within 5 highly-prospective areas which have never been drill tested. These are located in the Tiger Lily, Wing Lake, Terra-Au, Tim’s, and Orchid zones. This model when applied to the entire property reveals multiple areas of interest containing coincident geochemical and magnetic trends that require follow-up. Taiga intends to advance the project to drill-ready status.

**Mari Lake** (Au,Ag,Cu,Zn)

In August 2020,the Company acquired by staking a block of claims that cover prospective gold mineralization. The 1677 hectare Mari Lake claim group is located within the Trans Hudson Corridor in Saskatchewan, approximately 25 kilometers northwest of Flin Flon, Manitoba. The claims cover 2 high grade gold mineral occurrences associated with Kisseynew Group volcanics which are documented in the Saskatchewan Mineral Deposit Index (“SMDI”).

Project Highlights

* Excellent geology favourable for mesothermal lode gold deposits
* Significantly underexplored with encouraging early results
* Mineralization open in both directions along strike and to depth
* Untested stratigraphic unit containing two high-grade gold occurrences
* Excellent Infrastructure nearby: Provincial Highway 9 km south of property boundary, Hydro

Future Work

Compilation of all geological data including historical geochemical and geophysical information is underway and will be imported into a GIS database for analyses and interpretation. These results will be used to guide a field program consisting of grid-based geochemical sampling, prospecting, geological mapping and geophysics

**Transactions with Related Parties**

The Company was involved in the following related party transactions during the year:

1. The Company is related to Eagle Plains (“EPL”) through common directors. During the year the Company had the following transactions with the related company:

|  |  |  |
| --- | --- | --- |
|  | **2020** | 2019 |
| Administration services provided by EPL | **$ 57,672** | $ 57,672 |
| Costs reimbursed to EPL\* | **324,808** | 37,989 |
| Exploration services provided by EPL | **142,661** | 287,704 |
| Proceeds from exercise of EPL options | **(142,807)** | - |

At December 31, 2020, $19,442 (2019 - $28,075) is included in accounts payable and accrued liabilities.

At December 31, 2020, $23,467 (2019 - $nil) is included in accounts receivable.

\*Includes $282,749 for spin-out costs repaid to Eagle Plains per the Plan of Arrangement (Note 8).

1. Included in professional fees is $9,841 (2019 - $7,338) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner.

Compensation to key management

Compensation to key management personnel in the year was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
| Administration costs |  | **2020** | 2019 |
| Consulting fees | to a company owned by a director |  |  |
|  | and officer of Taiga | **$ 105,000** | $ 90,000 |
| Director fees | To directors of Taiga | **15,000** | - |
| Wages | to directors and officers of Taiga | **104,365** | 112,339 |
| Professional fees | to a director and officer of Taiga | **49,500** | 45,000 |
| Share-based payments | to directors and officers | **177,927** | 14,068 |
|  |  | **$ 451,792** | $ 261,407 |

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**Transactions with Related Parties – continued**

1. Included in administration expenses is $105,000 (2019 - $90,000) paid or accrued for management services to a company owned by a director and officer of the Company.
2. Included in administration expenses is $104,365 (2019 - $112,339) paid or accrued for wages to two directors and officers of the Company.
3. Included in professional fees is $49,500 (2019 - $45,000) paid or accrued for accounting services to a director and officer of the Company.
4. Director fees of $15,000 (2019 - $nil) were paid to two directors of the Company.
5. The Company granted 1,800,000 (2019 – 300,000) options, with exercise prices of $0.20 (2019 - $0.20) and expiry dates of April 28, 2025 (2019 – August 15, 2024), to directors of the Company and recorded share-based payments of $177,927 (2019 - $14,068).

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

**Disclosure of Management Compensation**

The Company has standard compensation agreements with certain Officers to pay a total of $19,280 (2019 - $20,612) per month as compensation for services as an officer of the Company. Payments, including bonuses, totaling $258,865 (2019 - $244,339) were paid out in the year.

The Company has a standard compensation agreement to pay directors a retainer fee as determined by the Board as compensation for services rendered as directors. Payments of $15,000 (2019 - $nil) were made to directors in the year.

The Company has a Stock Option Plan (the “Plan”) to provide an incentive for directors and officers of the Company to directly participate in the Company’s growth and development by providing them with the opportunity through options to purchase common shares to acquire an increased financial interest in the Company. At the discretion of the Corporate Governance and Compensation Committee (“CGCC”) options are granted to individuals taking into account the Company’s long-range objectives, comparing and matching in most cases option grants and holdings for similar positions in the comparator group, and previous grants to such individuals.

**Summary of Quarterly Results**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Year  Quarter | 2020  Dec 31 | 2020  Sep 30 | 2020  Jun 30 | 2020  Mar 31 | 2019  Dec 31 | 2019  Sep 30 | 2019  Jun 30 | 2019  Mar 31 |
| Revenues | $ 4,318 | $ - | $ - | $ 2,961 | $ - | $ - | $ - | $ - |
| Net Loss | (202,083) | (136,249) | (681,025) | (250,793) | (5,999,371) | (100,154) | (109,065) | (108,858) |
| (Loss) per Share - Basic | (0.00) | (0.00) | (0.01) | (0.00) | (0.09) | (0.00) | (0.00) | (0.00) |
| Diluted loss per share | (0.00) | (0.00) | (0.00) | (0.00) | (0.09) | (0.00) | (0.00) | (0.00) |
| Assets | 1,252,403 | 1,432,061 | 1,487,133 | 1,802,070 | 679,052 | 6,703,494 | 6,746,375 | 6,646,050 |

**RESULTS OF OPERATIONS – Fourth Quarter**

**Revenue**

The Company realized $4,318 (2019 - $nil) in revenue related to being operator for option agreements.

Other income includes investment income of $145 (2019 - $429) for interest earned on deposits and miscellaneous income of $1,592 (2019 - $2,030).

The Company recorded an unrealized loss on FV investments of $45,000 (2019 - $nil) in the quarter.

The Company included $nil (2019 - $10,129) in income for the premium paid on flow-through shares recovered in the quarter. The premium on flow-through shares represents the estimated premium investors paid for flow-through shares and as the flow-through funds are expended the premium is recognized as other income.

**Expenditures**

Operating expenses for the quarter were $145,938 (2019 – $151,958).

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**RESULTS OF OPERATIONS – Fourth Quarter - continued**

Expenditures – continued

Administration costs of $86,866 (2019 - $81,576) decreased due to wages recovered via the Covid-19 CEWS program of $20,520 (2019 - $nil) offset by increases in director fees paid of $10,000 (2019 - $nil) and CEO fees paid of $34,000 (2019 - $27,000).

Professional fees of $35,588 (2019 - $28,777) increased due to CFO fees of $18,000 (2019 - $13,500), audit fees of $16,000 (2019 - $15,000) and legal fees of $1,588 (2019 - $277).

Trade shows, travel and promotion of $15,084 (2019 - $36,064) decreased due to an adjustment of $26,993 to prepaids for costs of planned digital media advertising, in an effort to increase the Company’s presence in the market.

The Company recorded share-based payments of $4,942 (2019 - $nil) for options vested in the quarter.

**Exploration and Evaluation Assets**

The required detailed schedule of Exploration and Evaluation Assets is included in the Company’s financial statements. For details of option agreements on properties refer to Note 5 in the financial statements.

During the quarter ended December 31, 2020, the Company made acquisition and exploration expenditures (recoveries) of $(28,138) (2019 - $110,519). As a result of the foregoing, exploration and evaluation assets totaled $463,047 at December 31, 2020, down from $532,192 at September 30, 2020.

**Transactions with Related Parties**

The Company was involved in the following related party transactions during the quarter:

1. The Company is related to Eagle Plains (“EPL”) through common directors. During the quarter the Company had the following transactions with the related company:

|  |  |  |
| --- | --- | --- |
|  | **2020** | 2019 |
| Administration services provided by EPL | **$ 14,418** | $ 14,418 |
| Costs reimbursed to EPL | **1,689** | 13,058 |
| Exploration services provided by EPL | **78,633** | 122,084 |
| Proceeds from exercise of EPL options | **(14,667)** | - |

At December 30, 2020, $19,442 (2019 - $28,075) is included in accounts payable and accrued liabilities.

At December 30, 2020, $23,467 (2019 - $nil) is included in accounts receivable.

1. Included in professional fees is $1,588 (2019 - $nil) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner.
2. Compensation to key management

Compensation to key management personnel in the quarter was as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2020** | 2019 |
| Consulting fees | to a company owned by a director |  |  |
|  | and officer of Taiga | **$ 34,000** | $ 27,000 |
| Director fees | To directors of Taiga | **10,000** | - |
| Wages and benefits | to directors and officers of Taiga | **33,591** | 41,565 |
| Professional fees | to a director and officer of Taiga | **18,000** | 13,500 |
|  |  | **$ 95,591** | $ 82,065 |

1. Included in administration expenses is $34,000 (2019 - $27,000) paid or accrued for management services to a company owned by a director and officer of the Company.
2. Included in administration expenses is $33,591 (2019 - $41,565) paid or accrued for wages to two directors and officers of the Company.
3. Included in professional fees is $18,000 (2019 - $13,500) paid or accrued for accounting services to a director and officer of the Company.
4. Director fees of $10,000 (2019 - $nil) were paid to two directors of the Company in the quarter.

All related party transactions in the normal course of business have been measured at the agreed upon exchange amounts, which is the amount of consideration established and agreed to by the related parties. Amounts due to/from the related parties are non-interest bearing, unsecured and have no fixed terms of repayment unless otherwise specified.

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**Disclosure of Management Compensation**

The Company has standard compensation agreements with certain Officers to pay a total of $19,280 (2019 - $20,612) per month as compensation for services as an officer of the Company. Payments, including bonuses, totaling $85,591(2019 - $72,624) were paid out in the quarter.

The Company has a standard compensation agreement to pay directors a retainer fee as determined by the Board as compensation for services rendered as directors. Payments of $10,000 (2019 - $nil) were made to directors in the quarter.

The Company has a Stock Option Plan (the “Plan”) to provide an incentive for directors and officers of the Company to directly participate in the Company’s growth and development by providing them with the opportunity through options to purchase common shares to acquire an increased financial interest in the Company. At the discretion of the Corporate Governance and Compensation Committee (“CGCC”) options are granted to individuals taking into account the Company’s long-range objectives, comparing and matching in most cases option grants and holdings for similar positions in the comparator group, and previous grants to such individuals.

**Off-Balance Sheet Arrangements**

Per the Plan of Arrangement, the Company has agreed to issue shares upon the exercise of options and/or warrants in Eagle Plains on the basis of one Taiga share for every 2 Eagle Plains shares issued. As at December 31, 2020 the total commitment is for 1,642,500 options and 2,217,000 warrants. The Company will receive a pro-rata share of the exercise proceeds from Eagle Plains.

The Company has agreed to indemnify directors and officers under the bylaws of the Company to the extent permitted by law. The nature of the indemnifications prevent the Company from making a reasonable estimate of the maximum potential amount it could be required to pay to beneficiary of such indemnification agreement. The Company has purchased various insurance policies to reduce the risks association with such indemnification. The Company has included in officers’ management contracts a change of control clause that would entitle them to compensation of twenty-four (24) months’ salary or a lump sum payment as disclosed in their contract should such an event occur.

**Critical Accounting Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Financial results as determined by actual events could differ from these estimates.

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

Significant areas requiring the use of management estimates include impairment of exploration and evaluation assets; provision of reclamation and environmental obligations; and inputs used in accounting for share-based payments in profit or loss.

Areas of significant judgment include the classification of financial instruments; recognition of deferred income taxes and contingencies reported in the notes to the financial statements and the classification of exploration and evaluation expenditures, which requires judgment in determining whether it is likely that future economic benefits will flow to the Company as this would result in the properties being shown as mines under construction instead of exploration and evaluation assets.

**Disclosure of Outstanding Share Data**

The Company has an unlimited number of common shares without nominal or par value authorized for issuance and also preference shares.

**Shares issued and outstanding**

At April 22, 2021, there were 95,327,823 (April 21, 2020 – 63,887,050) shares outstanding.

* On April 16, 2019, the Company completed a non-flow-through financing, issuing 2,560,000 shares for proceeds of $204,800.
* On May 3, 2019, the Company completed a 2nd tranche non-flow-through financing, issuing 53,000 shares for proceeds of $4,240

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**Management Discussion and Analysis**

**December 31, 2020**

**Disclosure of Outstanding Share Data - continued**

* On February 6, 2020, the Company completed a non-flow-through financing, issuing 15,551,273 shares for proceeds of $1,399,615.
* In the second quarter, the Company issued 1,020,000 shares from the exercise of Eagle Plains’ options and received proceeds of $99,500.
* In the second quarter, the Company issued 437,500 shares from the exercise of share purchase warrants and received proceeds of $64,500.
* In the third quarter, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of $18,000.
* In the third quarter, the Company issued 430,000 shares from the exercise of Eagle Plains’ options and received proceeds of $28,640.
* In the fourth quarter, the Company issued 220,000 shares from the exercise of Eagle Plains’ options and received proceeds of $14,667.
* In the fourth quarter, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of $18,000.
* In 2021, the Company issued 1,087,000 shares from the exercise of share purchase warrants and received proceeds of $134,040.
* On April 16, 2021, the Company completed a flow-through financing, issuing 12,495,000 shares for proceeds of $2,499,000.

Financings

On April 16, 2021, the Company closed a non-brokered private placement to arms-length and non-arms-length investors which comprised of 12,495,000 flow-through units for gross proceeds of $2,499,000. Flow-through units were sold at a price of $0.20 per unit, with each unit consisting of one flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at $0.30 for a 30-month period.

On February 6, 2020, the Company closed a non-brokered private placement to arms-length and non-arms-length investors which comprised of 15,551,273 non-flow-through units for gross proceeds of $1,399,615. The financing was originally announced on January 21, 2020, with an increase announced on January 28, 2020. Non-flow-through units were sold at a price of $0.09 per unit, with each unit consisting of one non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at $0.18 for a 24-month period.

On April 16, 2019 and May 3, 2019, the Company closed a non-brokered financing offered to arms-length and non-arm’s length investors and was comprised of 2,613,000 non-flow-through units for a total issuance of 2,613,000 shares and gross proceeds of $209,040. Non-flow-through units were sold at a price of $0.08 per unit, each unit consisting of a non-flow-through common share and one-half non-flow-through common share purchase warrant, each whole warrant exercisable at $0.12 for a 24 month period.

**Options**

At April 22, 2021, the Company has 7,600,000 (April 21, 2020 – 5,105,000) options outstanding, exercisable at $0.20 (2019 - $0.20), expiring July 20, 2023 to April 28, 2025 (2019 – July 20, 2023 and August 15, 2024). At February 23, 2021, per the Plan of Arrangement, the Company has a commitment to 1,642,500 options outstanding in Eagle Plains with expiry dates of March 31, 2022 to February 19, 2023.

* During the year, 3,340,000 EPL options warrants were exercised with Taiga receiving proceeds of $142,807.

**Warrants**

At April 22, 2021, the Company has 31,523,773 (April 21, 2020 – 20,795,273) warrants outstanding, exercisable at $0.12 to $0.40, expiring May 3, 2021 through February 7, 2022 (2019 - June 6, 2020 through February 7, 2022). Per the Plan of Arrangement, the Company had a commitment to 2,217,000 warrants outstanding in Eagle Plains with expiry dates of February 7, 2022.

* During the year, 637,500 warrants were exercised at prices of $0.12 to $0.18, for proceeds of $100,500.
* In 2021, 1,087,000 warrants were exercised at prices of $0.12 to $0.18, for proceeds of $134,040.
* In 2021, 42,000 warrants expired unexercised.
* The flow-through financing completed on April 16, 2020 comprised of flow-through units. The Company issued 12,495,000 warrants exercisable at $0.30 for a 30-month period.

A detailed schedule of Share Capital is included in Note 10 in the Company’s financial statements.

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**Accounting Policies**

The financial statements for the Company for the years ending December 31, 2020 and 2019 are prepared in accordance with accounting policies which are consistent with International Financial Reporting Standards(“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”).

**Risk Factors**

**Exploration and Development**

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The Company’s properties are in the exploration stage. There is no assurance that the Company’s mineral exploration and development activities will result in any

discoveries of commercial bodies of minerals. The long-term profitability of the Company’s operations will in part be directly related to the costs and success of its exploration and development programs, which may be affected by a number of factors.

Development of the Company’s properties will only be potentially pursued if favourable exploration results are obtained that demonstrate that potential economic extraction of minerals is justified.

The business of exploration for minerals and mining involves a high degree of risk. Whether a mineral deposit can be commercially viable depends upon a number of factors, including, but not limited to, the particular attributes of the deposit, including size, grade and proximity to infrastructure; metal prices, which can be highly variable; and government regulations, including environmental and reclamation obligations. Few properties that are explored are ultimately developed into profitable, producing mines.

Substantial expenditures are required to establish the continuity of mineralized zones through drilling and to develop and maintain the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that funds required for any proposed development of the Company’s properties can be obtained on a timely basis, if at all.

The marketability of any minerals acquired or discovered by the Company in the future may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment, and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which may result in the Company not receiving an adequate return on investment capital.

There is no assurance that the CSE, or any regulatory authority having jurisdiction will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise.

**Financial Capability and Additional Financing**

The Company has limited financial resources, with its only source of operating income being cash and share payments from current option agreements and have no assurance that additional funding will be available to it for further exploration and development of its projects. There can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on its projects.

The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as the business performance of the Company.

**Mining Titles**

There is no guarantee that the Company’s title to or interests in the Company’s property interests will not be challenged or impugned. The acquisition of title to mineral properties is a very detailed and time-consuming process. Title to the area of mineral properties may be disputed. There is no guarantee of title to any of the Company's properties. The Company's properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects. With the exception of certain Crown Granted

Mineral Claims and legacy tenures, the Company has not surveyed the boundaries of its properties and consequently the boundaries may be disputed. There can be no assurance that the Company’s rights will not be challenged by third parties claiming an interest in the properties.

**Management**

The success of the Company is currently largely dependent on the performance of its officers. The loss of the services of these persons could have a materially adverse effect on the Company’s business and prospects. There is no assurance the Company can maintain the services of its officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

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**Management Discussion and Analysis**

**December 31, 2020**

**Risk Factors - continued**

**Conflicts of Interest**

Certain directors and officers of the Company are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of the Company. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of the Company. Directors and officers of the Company with conflicts of interest will be subject to the applicable corporate and securities legislation, regulation, rules and policies.

**History of Losses and No Assurance of Profitable Operations**

The Company has incurred a loss since inception. There can be no assurance that the Company will be able to operate profitably during future periods. If the Company is unable to operate profitably during future periods, and is not successful in obtaining additional financing, the Company could be forced to cease its exploration and development plans as a result of lacking sufficient cash resources.

The Company has not paid dividends in the past and has no plans to pay dividends for the foreseeable future.

**Uninsurable Risks**

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions may occur. These unexpected or unusual conditions may include rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Company.

**Environmental and Safety Regulations and Risks**

Environmental laws and regulations may adversely affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. Furthermore the permission to operate could be withdrawn temporarily where there is evidence of serious breaches of health and safety, or even permanently in the case of extreme breaches.

Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties or non-compliance with environmental laws or regulations.

**Fluctuating Mineral Prices**

The Company’s revenues, if any, are expected to be in large part derived from the sale of gold, copper, and possibly other metals. The prices of gold, copper, and other commodities have fluctuated widely in recent years and are affected by factors beyond the control of the Company including, but not limited to, economic and political trends, currency exchange fluctuations, economic inflation and expectations for the level of economic inflation in the consuming economies, interest rates, global and local economic health and trends, speculative activities and changes in the supply of gold and copper due to new mine developments, mine closures, and advances in various production and technological uses for gold and copper. All of these factors will have impacts on the viability of the Company’s exploration projects that are impossible to predict with certainty.

**Competitive Conditions**

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have significantly greater financial resources and technical facilities. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world-wide basis and some of these companies have much greater financial and technical resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company’s inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Company’s results.

**Price Volatility of Publicly Traded Securities**

In recent years, the securities markets in the United States and Canada have experienced high levels of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related

to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. Any quoted market for the common shares may be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings.

**Inadequate Infrastructure May Affect the Company’s Operations**

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or

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**Risk Factors - continued**

infrequent weather phenomena, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company’s operations, financial condition and results of operations.

**Coronavirus (COVID-19)**

During 2020 there has been a global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and, specifically, the regional economies in which the Company operates. The

pandemic could continue to have a negative impact on the stock market, including trading prices of the Company’s shares and its ability

to raise new capital. These factors, amongst others, could have a significant impact on the Company’s operations.

**Risks and Uncertainties**

Management’s estimates of mineral prices, mineral resources and operating costs are subject to certain risks and uncertainties which may affect the Company’s operation. Although management has made its best estimate of these factors, it is possible that material changes could occur which may adversely affect management’s estimate of operating requirements. The Company’s success will be dependent upon the extent to which it can discover mineralization or acquire mineral properties and the economic viability of developing its properties. Substantially all of the Company’s operating and exploration funding must be derived from external financing. Should changes in equity market conditions prevent the Company from obtaining additional external financing; the Company will need to review its exploration and development programs and future planning.

**Forward Looking Statements**

All statements other than those of a historical nature are ‘forward-looking statements’ that may involve a number of unknown risks, uncertainties and other factors. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

**Subsequent Events**

On January 5, 2021, the Company received an earn-in notice from partner SSR Mining Inc. that it has satisfied its commitments and has exercised the second option earn-in for an 80% aggregate interest in the Fisher pursuant to the Option Agreement. In accordance with the Agreement, SSR Mining recently made a cash payment of $3,000,000 to Taiga. A joint venture comprised of SSR Mining (80%) and Taiga (20%) has now been formed (the “Fisher JV”).

In January 2021, the Company received $25,000 cash and 250,000 shares valued at $62,500 pursuant to the Leland option agreement.

In January 2021, the Company received $20,000 cash pursuant to the SAM option agreement.

Subsequent to the year-end, the Company has issued 1,087,000 common shares for the exercise of warrants at $0.12 and $0.18 for proceeds of $134,040.

On April 16, 2021, the Company closed a non-brokered private placement to arms-length and non-arms-length investors which comprised of 12,495,000 flow-through units for gross proceeds of $2,499,000. Flow-through units were sold at a price of $0.20 per unit, with each unit consisting of one flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at $0.30 for a 30-month period.

**Outlook**

As a relatively new entity, Taiga Gold Corp. is entering the mineral exploration space with a firm foundation and significant potential. The company benefits from having many of the same seasoned directors, officers and support staff as its founding company, Eagle Plains Resources Ltd. Taiga controls a number of high-potential projects in Saskatchewan, a proven mining jurisdiction that is currently highly-rated by the Fraser Institute with respect to investment attractiveness. In addition, Taiga has partners in place on its Fisher, Chico and Leland projects (SGO Mining, Aben Resources and SKRR Exploration respectively), who are funding aggressive exploration programs.

SGO Mining continues to aggressively explore Taiga’s Fisher property and recently gave notice to Taiga of its 60% earn-in. Expenditures to date are in excess of $11.3M, with drilling currently underway and more planned for 2021. This substantial development by our partners underscores the successful risk-mitigation strategy executed by Taiga management and protects investors from excessive dilution while maintaining considerable upside potential for discovery.

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**Management Discussion and Analysis**

**December 31, 2020**

**Outlook - continued**

Management are seasoned professionals who continue to work diligently on behalf of the shareholders to deliver positive returns, regardless of whatever obstacles are encountered and equally able to seize opportunities as they are presented. We feel strongly that ongoing exploration of our primary gold projects, particularly during this current strengthening equity markets, will bear fruit for our shareholders. Significant risk-free exploration completed by partner SGO Mining continues to yield encouraging results and we remain optimistic of future success.

A potentially serious health risk has recently evolved with the global COVID 19 pandemic. Since the declaration in mid-March of a province-wide State of Emergency, Taiga management has taken aggressive steps to help contain the outbreak and to ensure the protection of its employees and consultants. Management continues to monitor the situation and is poised to take any additional action deemed necessary.

We thank our shareholders for their continuing support and look optimistically forward to what the future may bring.

**On behalf of the Board of Directors**

***“Timothy J. Termuende”***

Timothy J. Termuende, P.Geo.

President and CEO

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# CERTIFICATE OF THE ISSUER

##### Pursuant to a resolution duly passed by its Board of Directors, Taiga Gold Corp. hereby applies for the listing of the above mentioned securities on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to Taiga Gold Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

##### Dated at Cranbrook, British Columbia this 22nd day of April, 2021.

(Signed) *"Tim Termuende"* TIMOTHY J. TERMUENDE

##### CHIEF EXECUTIVE OFFICER, PRESIDENT & DIRECTOR

(Signed) *"Glen Diduck"*

GLEN J. DIDUCK

##### CHIEF FINANCIAL OFFICER

(Signed) *"Jesse Campbell"* (Signed) *"Paul Reynolds"”*

JESSE CAMPBELL PAUL REYNOLDS

DIRECTOR DIRECTOR

(Signed) *"Chuck Downie"*

##### CHARLES C. DOWNIE DIRECTOR

(Signed) *"Darren Fach"*

##### DARREN FACH

##### DIRECTOR