FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: \_Taiga Gold Corp\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Issuer”).

Trading Symbol: TGC

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities* Act, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

**General Instructions**

1. Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
2. The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

# There are three schedules which must be attached to this report as follows:

# SCHEDULE A: FINANCIAL STATEMENTS

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

# SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. **Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

1. A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
2. A description of the transaction(s), including those for which no amount has been recorded.
3. The recorded amount of the transactions classified by financial statement category.
4. The amounts due to or from Related Persons and the terms and conditions relating thereto.
5. Contractual obligations with Related Persons, separate from other contractual obligations.
6. Contingencies involving Related Persons, separate from other contingencies.
7. **Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

1. summary of securities issued during the period,

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Date of Issue** | **Type of Security (common shares, convertible debentures, etc.)** | **Type of Issue (private placement, public offering, exercise of warrants, etc.)** | Number | **Price** | **Total Proceeds** | **Type of Consideration (cash, property, etc.)** | **Describe relationship of Person with Issuer (indicate if Related Person)** | **Commission Paid** |
| Apr11-2018 | Common shares | Plan of Arrangement | 44,981,334 | na | na | Property | Related | nil |
| Apr11-2018 | Common shares | Plan of Arrangment | 11,162,716 | 0.027 | 300,000 | Cash | Related | nil |
| Apr16-2018 | Common shares | Exercise of EPL options | 45,000 | na | 2731 | Cash | NR | nil |
| May24-2018 | Common shares | Exercise of EPL options | 75,000 | Na | 4551 | Cash | NR | nil |
| Jun8-2018 | Common shares | Private placement | 2,507,500 | 0.20 | 501,500 | Cash | NR | 22,050 |
| Jun8-2018 | Common shares | Private placement | 1,430,.00 | 0.18 | 257,400 | Cash | NR | 7,560 |
|  |  |  |  |  |  |  |  |  |

1. summary of options granted during the period,

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Date | **Number** | **Name of Optionee****if Related Person****and relationship** | **Generic description of other Optionees** | **Exercise Price** | **Expiry Date** | **Market Price on date of Grant** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

1. **Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

1. description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
2. number and recorded value for shares issued and outstanding,
3. description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
4. number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.
5. **List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated .

Name of Director or Senior Officer

Signature

Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***Name of Issuer | For Quarter Ended | Date of ReportYY/MM/D |
| Issuer Address |
| City/Province/Postal Code | Issuer Fax No.( ) | Issuer Telephone No.( ) |
| Contact Name | Contact Position | Contact Telephone No. |
| Contact Email Address | Web Site Address |

**SCHEDULE A**

**TAIGA GOLD CORP.**

**(An Exploration Stage Corporation)**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

(Unaudited – prepared by management)

(Expressed in Canadian dollars)

For the periods ended

June 30, 2018 and 2017

**NOTICE TO READER OF THE**

**CONDENSED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed the condensed interim financial statements for the period ended June 30, 2018.

The Management of Taiga Gold Corp. is responsible for the preparation of the accompanying condensed interim financial statements as at June 30, 2018.

The condensed interim financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with International Financial Reporting Standards.

*“Timothy J Termuende” “Glen J Diduck”*

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Timothy J. Termuende, P. Geo Glen J. Diduck

President and Chief Executive Officer Chief Financial Officer

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| **TAIGA GOLD CORP.** |
| **(An Exploration Stage Corporation)** |
| **CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION** |
| (Unaudited – prepared by management) |
| (Expressed in Canadian dollars) |
|  |  |  |
|  | **June 30** **2018** | December 31 2017 |
|  | **(unaudited)** | (audited) |
| **Assets** |  |  |
|  |  |  |
| **Current** |  |  |
| Cash | **$ 999,591** | $ 1 |
|  Accounts receivable | **7,962** | - |
|  | **1,007,553** | 1 |
| **Exploration and evaluation assets** (Note 5)  | **411,947**  | 237,556  |
|   | **$ 1,419,500**  | $ 237,557  |
|  |  |  |
| **Liabilities and Shareholders’ Equity** |  |  |
|  |  |  |
| **Current** |  |  |
|  Accounts payable and accrued liabilities | **$ 166,750** | $ - |
|  Premium on flow-through shares | **73,521** | - |
|  | **240,271** | - |
|  |  |  |
| **Shareholders’ equity** |  |  |
| Share capital (Note 10) | **2,235,636**  |  1  |
| Contributed surplus  |  **14,300**  |  1,071,371  |
| Deficit | **(1,070,707)** | (833,815) |
|  | **1,179,229** | 237,557 |
|  |  |  |
|  | **$ 1,419,500** | $ 237,557 |
|  |  |  |
| **Nature and continuance of operations** (Note 1) |  |  |
| **Commitments and contingencies** (Note 8) |  |  |
| **Subsequent event** (Note 12) |  |  |
|  |  |  |
|  |  |  |
| **On behalf of the Board:** |  |  |
|  |  |  |
| *“Timothy J Termuende”* Director |  |  |
| Mr. Timothy J. Termuende (Signed) |  |  |
|  |  |  |
| *“Glen J Diduck”* Director |  |  |
| Mr. Glen J. Diduck (Signed) |  |  |

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|  **TAIGA GOLD CORP.** |
| **(An Exploration Stage Corporation)** |
| **CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE LOSS** |
| (Unaudited – prepared by management) |
| (Expressed in Canadian dollars) |
|   |  |  |
|  |  Three Months |  Six Months |
|  |  Ended Jun 30 |  Ended Jun 30 |
|   | **2018** | 2017 | **2018** | 2017 |
|  |  |  |  |  |
| **Operating expenses** |  |  |  |  |
|  Administration costs (Note 10) | **$ 34,062**  | $26,438  | **$ 49,308**  | $ 54,900  |
|  Professional fees (Note 10) | **18,059**  | 4,451  | **23,673**  | 6,568  |
|  Public company costs | **26,002**  | 906  | **29,859**  | 3,253  |
|  Share-based payments (Notes 6 and 10) | **-** | 14,374 | **16,353**  | 52,450 |
|  Trade shows, travel and promotion  | **106,184**  | 6,595  | **119,403**  | 12,661  |
|  |  |  |  |  |
| **Loss before other items** | **184,307**  | 52,764  | **238,596**  | 129,832 |
|  |  |  |  |  |
| **Other items** |  |  |  |  |
|  Premium on flow-through shares | **(1,704)** | - | **(1,704)** | - |
|  |  |  |  |  |
| **Loss for the period** | **$182,603** | $52,764 | **$236,892** | $129,832 |
|  |  |  |  |  |
| **Net loss per share** – basic and diluted (Note 11) | **($0.00)** | ($0.01) | **($0.01)** | ($0.00) |
|  |  |  |  |  |
| **Weighted average number**  |  |  |  |  |
| **of shares** – basic and diluted (Note 11) | **51,081,737** | 42,156,834 | **25,543,737** | 42,156,834 |

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|  **TAIGA GOLD CORP.** |
| **(An Exploration Stage Corporation)** |
| **CONDENSED INTERIM STATEMENTS OF CASH FLOWS** |
| (Unaudited – prepared by management) |
| (Expressed in Canadian dollars) |
|  |  |
|  |  |  |
| **For the six months ended June 30,** | **2018** | 2017 |
|  |  |  |
| **Cash flows from operating activities** |  |  |
| Loss for the period | **$(236,892)** | $(129,832) |
|  Adjustment for:  |  |  |
|  Share-based payments | **16,353**  | 52,450  |
|  Premium on flow-through shares | **(1,704)** | - |
|  | **(222,243)** | (77,382) |
|  Changes in non-cash working capital items |  |  |
|  Increase in accounts receivable | **(7,962)** | - |
|  Increase in accounts payable and accrued liabilities | **166,750** | - |
|  | **(63,455)** | (77,382) |
|  |  |  |
| **Cash flows from financing activity** |  |  |
|  Funding provided by Eagle Plains  | **(5,599)** | 89,942 |
|  Proceeds from issuance of shares | **1,058,900** | - |
|  Share issuance costs | **(29,711)** | - |
|  Proceeds from exercise of options | **7,282** | - |
|  | **1,030,872**  | 89,942  |
|  |  |  |
| **Cash flows from investing activities** |  |  |
|  Cash received for option payments | **-** | 52,500 |
|  Exploration and evaluation assets expenditures | **32,173**  | (65,060) |
|  | **32,173**  | (12,560) |
|  |  |  |
| **Increase in cash and cash equivalents**  | **999,590**  | -  |
|  |  |  |
| Cash and cash equivalents, beginning of period | **1**  | 1 |
|  |  |  |
| **Cash and cash equivalents, end of period** | **$ 999,591**  | $ 1  |
|  |  |  |
| **Cash and cash equivalents comprise:** |  |  |
|  Bank deposits | **$ 98,091** | $ 1 |
|  Term deposits | **901,500** | - |
|  | **$ 999,591** | $ 1 |
| The Company made no cash payments for interest or income taxes. |  |  |

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| **TAIGA GOLD CORP.** |
| **(An Exploration Stage Corporation)** |
| **CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY**(Unaudited – prepared by management) |
| (Expressed in Canadian dollars) |
|  |  |  |  | Funding  |  |  |
|  |  |  |  | provided by  |  |  |
|  |  |  |  | and expenses |  |  |
|  |  Share Capital | Contributed |  paid by |  |  |
|   | Shares | Amount | Surplus | Eagle Plains | Deficit | Total |
| Balance, December 31, 2016 | - | $ - | $ 40,585  | $850,307  | $ (640,405) | $ 250,487  |
|  Share-based payments | - | - | 52,450  | - | - | 52,450  |
|  Funds provided by Eagle Plains | - | - | ` | 89,996  | - | 89,996  |
|  Loss for the period | - | - | - | - | (129,832) | (129,832) |
| Balance, June 30, 2017 | - | $ - | $ 93,035  | $940,303  | $ (770,237) | $ 263,101  |
|  |  |  |  |  |  |  |
| Balance, December 31, 2017 | 1  | $ 1  | $ 93,582  | $977,789  | $ (833,815) | $ 237,557  |
|  Adjustment for carve-out amounts | - | 888,104  | (109,935) | (972,190) | - | (194,021)  |
|  Shares issued for cash | 11,162,716  | 300,000  | - | - | - | 300,000  |
|  Shares issued per Plan of Arrangement | 44,981,334  | 400,585  | - | - | - | 400,585  |
|  Share cancelled on spin out | (1) | (1) | - | - | - | (1) |
|  Shares issued for options exercised | 120,000  | 7,282  | - | - | - | 7,282  |
|  Shares issued for flow-through financing | 2,507,500  | 501,500  | - | - | - | 501,500  |
|  Shares issued for private placement | 1,430,000  | 257,400  | - | - | - | 257,400  |
|  Flow-through premium liability | - | (75,225) | - | - | - | (75,225) |
|  Residual value of warrants | - | (14,300) | 14,300  | - | - | -  |
|  Share issue costs | - | (29,710) | - | - | - | (29,710) |
|  Share-based payment | - | - | 16,353  | - | - | 16,353  |
|  Funds provided by Eagle Plains | - | - | - | (5,599) | - | (5,599) |
|  Loss for the period | - | - | - | - | (236,892) | (236,892) |
| **Balance, June 30, 2018** | **60,201,550**  | **$2,235,636**  | **$ 14,300**  | **$ -**  | **$(1,070,707)** | **$1,179,229**  |

**1. Nature and continuance of operations**

Taiga Gold Corp. (“Taiga”) 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 “Arrangement”) was approved by the shareholders of Eagle Plains whereby Eagle Plains distributed 100% of its interest in certain 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. For additional details on the transaction see Note 2.

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

The statements of comprehensive loss for the periods ended June 30, 2018 and 2017 reflect an allocation of Eagle Plains’ general and administrative expenses incurred in the periods. The allocation of general and administrative expense was calculated on the basis of the ratio of expenditures incurred on the Spin-out Properties as compared to the total expenditures incurred on all of Eagle Plains’ mineral properties for the periods ended March 31, 2018 and June 30, 2017. The financial statements have been presented under the continuity of interests basis of accounting with statement of financial position comparative amounts based on the amounts recorded by Eagle Plains. Management cautions readers of these condensed interim financial statements that the allocation of expenses does not necessarily reflect an accurate presentation of general and administrative expenses that the Company would have incurred in the afore-mentioned periods or will incur in the future.

The Company believes its current working capital is sufficient to maintain its core operations for the next twelve months, however, additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. Given the current state of the financing market for junior mining companies there is no certainty that additional financing at terms that are acceptable to the Company will be available and an inability to obtain additional financing would have a direct impact on the Company’s ability to continue as a going concern beyond twelve months.

**2. Transfer of Business**

On February 2, 2018, the Company executed a formal arrangement agreement related to the proposed spin-out (the “Arrangement”). Pursuant to the Arrangement, Taiga acquired Eagle Plains’ interest in Fisher, Chico, Orchid, Leland and SAM properties, not including the NSR’s which will remain with Eagle Plains, together with $300,000 in cash. Each Eagle Plains Shareholder, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold one new common share in the capital of Eagle Plains ("Eagle Plains New Share") and one-half of a common share in the capital of Taiga ("Taiga Share") for each Eagle Plains common share ("Eagle Plains Share") held immediately prior to the Arrangement, where the Eagle Plains New Shares will be identical in every respect to the present Eagle Plains Shares. Eagle Plains will own nineteen point nine percent (19.9%) of the issued and outstanding Taiga Shares upon completion of the Arrangement.

The reorganization was approved by shareholders at a special meeting on April 6, 2018 and received formal approval of the Court of Queen's Bench of Alberta on April 11, 2018.  Taiga securities were listed for trading on the CSE on April 30, 2018.

**3. Basis of Preparation**

1. Statement of Compliance

The condensed interim financial statements for the Company for the periods ending June 30, 2018 and 2017 are prepared in accordance with International Financial Reporting Standard 34 (“IAS 34”), Interim Financial Reporting, using accounting policies which are consistent with International Financial Reporting Standards (“IFRS”) as issued by

**3. Basis of Preparation - continued**

the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) and in accordance with a financial reporting framework specified in subsection 3.11(6) of the National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for carve-out financial statements.

These condensed interim financial statements were authorized for issue by the Board of Directors on August 23, 2018.

1. Basis of Measurement

These condensed interim financial statements have been prepared on a historical cost basis except for financial instruments classified as Fair Value Through Profit or Loss (“FVTPL”) and available-for-sale which are stated at their fair value. These condensed interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed interim 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.

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 the determination of the allocation of Eagle Plains’ general and administrative expenses included in the carve-out statements of comprehensive loss; 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 going concern assessment (note 1); the classification of financial instruments; recognition of deferred income taxes and contingencies reported in the notes to the carve-out 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 periods presented in these condensed interim financial statements. The accounting policies have been applied consistently by the Company. The condensed interim 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.

**4. Significant Accounting Policies - continued**

1. Financial instruments

Financial instruments recognized in the condensed interim statements of financial position include cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities.

*Financial assets*

Financial assets at fair value through profit or loss (“FVTPL”)

Financial assets are classified as FVTPL when the financial asset is held for trading or it is designated as FVTPL. Financial assets classified as FVTPL are stated at fair value with any resultant gain or loss recognized in profit or loss. The Company has classified cash and cash equivalents as FVTPL.

*Loans and receivables*

Accounts receivable that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost less impairment losses. The impairment loss of receivables is based on a review of all outstanding amounts at year end. Bad debts are written off during the period in which they are identified.

The Company has classified accounts receivable as loans and receivables.

Transaction costs associated with FVTPL and available-for-sale financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

*Financial liabilities*

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Company’s accounts payable and accrued liabilities are classified as other-financial-liabilities.

Unless otherwise indicated, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from any financial instruments. The carrying values of financial instruments approximate their fair values, unless otherwise noted.

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.

**4. Significant Accounting Policies - continued**

1. Exploration and evaluation assets - continued

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

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.

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. The financial statements include the Company’s interest in the assets, liabilities, revenues, expenses, and cash flows of this type of arrangement.

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. Impairment losses are reversed in subsequent

**4. Significant Accounting Policies - continued**

periods 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. 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 condensed interim 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. 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 periods. 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.

*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

**4. Significant Accounting Policies – continued**

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. 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 condensed interim 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 before they vest, 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 carve out 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 condensed interim 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 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.

**4. Significant Accounting Policies - continued**

1. Share-based payments - continued

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.

1. Assumptions used to allocate G&A expenses

The allocation of general and administrative expense was calculated on the basis of the ratio of expenditures incurred on the Spin-out Properties as compared to the total expenditures incurred on all of Eagle Plains’ mineral properties in each of the periods.

1. Per share cost

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period if dilutive. The Company uses the treasury stock method of calculating fully diluted per share amounts whereby any proceeds from the exercise of stock options or other dilutive instruments are assumed to be used to purchase common shares at the average market price during the year. Diluted loss per share has not been presented separately as the outstanding options are anti-dilutive for each period presented.

For comparative periods before the successful listing of the Company on the CSE, the basic loss per share is calculated using the weighted average number of EPL shares outstanding during the period. The shareholders of Eagle Plains will receive 1 common share of Taiga for 2 common shares of Eagle Plains. Accordingly, the weighted average number of shares used is one-half of the weighted average number of shares of Eagle Plains for the respective periods.

1. New accounting pronouncements

Certain new accounting standards and interpretations have been published that are mandatory for the June 30, 2018 reporting period. The adoption of the following standards effective January 1, 2018 had no impact on the Company’s condensed consolidated interim financial statements.

IFRS 9 – Financial instruments

IFRS 9 addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit and loss or at fair value through other comprehensive income. The application of this standard is effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 Share-based Payment

These amendments added guidance that introduces accounting requirements for cash-settled share-based payments that follow the same approach as used for equity-settled share-based payments. They introduced an exception into IFRS 2 so that a share-based payment where the entity settles the share-based payment arrangement net is classified as equity-settled in its entirety, provided the share-based payment would have been classified as equity-settled had it not included the net settlement feature. Finally, they clarify the accounting treatment in situations where a cash-settled share-based payment changes to an equity-settled share-based payment because of modifications of the terms and conditions.

These amendments are effective for reporting periods beginning on or after January 1, 2018.

**4. Significant Accounting Policies - continued**

IFRS 15 – Revenue from contracts with customers

IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. The application of this standard is effective for annual periods beginning on or after January 1, 2018.

Certain new accounting standards and interpretations have been published that are not mandatory for the June 30, 2018 reporting period. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its condensed consolidated interim financial statements or whether to early adopt any of the new requirements. The following is a brief summary of the new standards:

IFRS 16 – Leases

The new standard recognizes most leases for lessees under a single model, eliminating the distinction between operating and finance leases. The application of this standard is effective for annual periods beginning on or after January 1, 2019.

**5. Exploration and Evaluation Assets**

During the period ended June 30, 2018, the Company made acquisition and exploration expenditures of $29,077 (2017 - $114,566) and received properties valued at $400,585 pursuant to the Plan of Arrangement (note 2). As a result of the foregoing, exploration and evaluation assets totaled $411,947 at June 30, 2018, up from $237,556 at December 31, 2017.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Dec 31 | Adjustments | Acquisition and | Option | Jun 30 |
|  | 2017 | for POA | Exploration | Payments | 2018 |
|  |  |  |  |  |  |
| Chico | $33,815 | $60,743  | $4,669  | $(61,250)  | $37,977  |
| Fisher | 66,145  | 168,682  | 2,364 | - | 237,191  |
| Leland | 39,561  | (3,721) | 4,315  | - | 40,155  |
| Orchid | 92,060  | (11,695) | 5,615  | - | 85,980  |
| SAM | 5,975  | (7,445) | 12,114  | - | 10,644  |
|  | $237,556  | $206,564  | $29,077  | $(61,250)  | $411,947  |
|  |  |  |  |  |  |
|  | Dec 31 |  | Acquisition and | Option | Dec 31 |
|  | 2067 |   | Exploration | Payments | 2017 |
|  | (note 4j) |  |  |  | (note 4(j) |
| Chico | $ 81,604  | $ - | $ 4,711  | $(52,500)  | $33,815  |
| Fisher | 133,161 | - | 7,984  | (75,000)  | 66,145  |
| Leland | 34,775  | - | 4,786 | - | 39,561  |
| Orchid | 350  | - | 91,710  | - | 92,060 |
| SAM | 600  | - | 5,375 | - | 5,975  |
|  | $250,490  | $ - | $114,566  | $(52,500) | $237,556  |

The Company has interests in a number of optioned exploration projects. As at June 30, 2018, the Company has executed option agreements with third parties on the following projects:

**Saskatchewan**

1. **Chico Project:** On **December 9, 2016, the Company entered into an option agreement 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 Silver Standard Resources’ 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

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

1. **Chico Project** – continued:

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 payments within two years of the date of election. Payments 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 |
| 25,000 | 500,000 | 450,000 | January 6, 2020 |
| - | - | 650,000 | January 6, 2021 |
| $ 100,000  | 1,500,000 | $ 1,500,000 |  |

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.

1. **Fisher Gold Project:** On October 5, 2016, the Company entered into an option agreement with Silver Standard Resources Inc.(subsequently renamed SSR Mining Inc.) (“SSO”)whereby SSO could earn up to a 60% interest in the property, located in Saskatchewan. To earn a 60% interest over four years, SSO agreed to complete $4,000,000 in exploration expenditures, make an initial cash payment to Eagle Plains of $100,000 and make annual cash payments of $75,000. Once the 60% earn-in has been completed, SSO has a 90-day, one-time option to earn an additional 20% interest (for a total of 80%) by making a cash payment of $3,000,000 to Eagle Plains, at which time an 80/20 joint-venture will be formed to further advance the property. Eagle Plains 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. Eagle Plains’ NSR may be reduced by 1% at any time upon payment of $1,000,000 by the joint venture. In addition, Eagle Plains will receive advance royalty payments of $100,000 annually from the joint venture until commencement of commercial production.

**6. Share-based compensation**

Stock options awarded to employees and non-employees by Taiga are measured and recognized in the statement of operations and deficit. The fair value of all forms of stock-based compensation is charged to operations over the vesting period of the options granted. Fair value is estimated using the Black-Scholes Option Pricing Model.

There have been no stock options issued directly by the Company during the periods presented. Stock-based compensation amounts included in the financial statements represent an allocation of Eagle Plains’ related stock-based compensation amounts on a pro rata basis as outlined in Note 1.

**7. Related Party Transactions**

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

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

**7. Related Party Transactions - continued**

|  |  |  |
| --- | --- | --- |
|  | **2018** | 2017 |
|  |  | (Note 4(j) |
| Expenses paid by EPL | **$ 37,936** | $ 77,382 |
| Exploration and evaluation asset costs paid by EPL | **(43,535)** | 12,614 |
| Administrative services provided by EPL | **6,200** | - |
| Share of proceeds from EPL options exercised | **(7,282)** | - |
|  | **$ (6,681)** | $ 89,996 |

Compensation to key management

 Compensation to key management personnel allocated in the period:

|  |  |  |  |
| --- | --- | --- | --- |
|  |   | **2018** | 2017  |
|  |  |  | (Note 4(j)) |
|  Consulting fees | to a company owned by a director |  |  |
|  | and officer of Taiga | **$ 10,688**  | $ 15,692  |
|  Wages and benefits | to directors and officers of Taiga | **12,998**  | 12,088  |
|  Professional fees | to a director and officer of Taiga | **4,622**  | 4,253 |
|  Share-based payments  | to directors and officers | **-**  | 31,217  |
|  |  | **$ 28,308**  | $ 63,250  |

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, including without limitation, financial, advisory, accounting, marketing, exchange review and listing, shareholder meeting and legal fees and costs, incurred by a party shall be borne by Eagle Plains. Taiga agrees to reimburse Eagle Plains for all such fees and costs contingent upon any one or more of the following events occurring within three (3) years of the Listing Date:

(a) Taiga completing an equity financing raising net proceeds of $1,000,000.00 or greater; or

(b) SSR Mining Inc. exercising its option to acquire 80% of the Fisher project resulting in Taiga receiving a $3,000,000.00 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 is committed to incur exploration expenditures of $490,138 by December 31, 2019 to meet the renouncement requirements from the issuance of flow-through shares in June 2018.

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 exercised. The total commitment is for 4,392,500 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

**8. Commitments and Contingencies - continued**

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, accumulated other comprehensive loss, 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 periods ended June 30, 2018 and 2017. 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 without nominal or par value, with the rights, privileges and conditions thereof determined by the directors of the Company at the time of issuance.

1. Issued and outstanding

 At June 30, 2018, there were 60,201,550 (2017 – 42,256,843 (note 4(k)) shares outstanding.

 On April 11, 2018, the Company completed the Plan of Arrangement issuing 44,981,334 common shares to shareholders

 On April 11, 2018, the Company issued 11,162,716 common shares for proceeds of $300,000.

 On April 16, 2018, the Company issued 45,000 shares as per the Plan of Arrangement re the exercise of Eagle Plains options and received proceeds of $2,731.

 On May 24, 2018, the Company issued 75,000 shares as per the Plan of Arrangement re the exercise of Eagle Plains options and received proceeds of $4,551.

 On June 8, 2018, the Company completed a flow-through financing, issued 2,507,500 shares for proceeds of $501,500.

 On June 8, 2018, the Company completed a non-flow-through financing, issued 1,430,000 shares for proceeds of $257,400.

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.

 There are no options outstanding at June 30, 2018.

**10. Equity Instruments - continued**

1. Warrants outstanding

AtJune 30, 2018 and 2017, the Company had outstanding, 3,937,500 (2017 – nil) share purchase warrants exercisable at $0.40 (2017 – $nil) and expiring June 6, 2020 (2017 - nil). These warrants were issued in conjunction with the financing in June 2018.

1. Financing

**On June 8, 2018, the Company** closed a brokered and non-brokered public offering. The financing was offered to arms-length and non-arm’s length investors and was comprised of 1,430,000 non-flow-through units and 2,507,500 flow-through units for a total issuance of 3,937,500 shares and gross proceeds of $758,900. Non-flow-through units were sold at a price of $.18 per unit, each unit consisting of a non-flow-through common share and one non-flow-through common share purchase warrant, each whole warrant exercisable at $.40 for a 24 month period.  Flow-through units were sold at a price of $.20 per unit, each unit consisting of a flow-through common share and a non-flow-through common share purchase warrant, each whole warrant exercisable at $.40 for a 24 month period.  All issued securities are subject to a hold period expiring October 7, 2018.

**11. Per Share Amounts**

The calculation of per share amounts have been calculated based on the weighted average number of shares outstanding during the period ended June 30, 2018 of 60,201,550 shares (2017 – 42,156,834). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding had anti-dilutive effect for the periods ended June 30, 2018 and 2017.

**12. 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.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **June 30, 2018** | **Level 1** | **Level 2** | **Level 3** | **Total** |
|  |  |  |  |  |
| **Assets:** |  |  |  |  |
| **Cash and cash equivalents** |  **$ 999,591** | **$ -** | **$ -** |  **$ 999,951** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| June 30, 2017 | Level 1 | Level 2 | Level 3 | Total |
|  |  |  |  |  |
| Assets: |  |  |  |  |
| Cash and cash equivalents | $ 1 |  $ - | $ - | $ 1 |

**12. Financial Instruments - continued**

As disclosed in Note 4(c), 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, price risk and commodity price risk. 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 June 30, 2018 and 2017, substantially all of the Company’s cash was held at one recognized Canadian National financial institution. As a result, the Company was exposed to all of the risks associated with that institution.

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 accounts receivable is the carrying value.

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. The Company is not exposed to significant currency risk.

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.

**13. Subsequent Event**

On July 20, 2018, the Company granted incentive stock options to directors, employees and key consultants of the company for the purchase of a total of 5.2 million shares at an exercise price of $0.20 per share, expiring July 20, 2023, subject to shareholder approval.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |

**Taiga Gold Corp.**

**(An Exploration Stage Corporation)**

**Management Discussion and Analysis**

**As at June 30, 2018**

Management Discussion and Analysis

Second Quarter, 2018

This Management’s Discussion and Analysis (“MD&A”) of Taiga Gold Corp. (“Taiga” or the “Company”) is dated August 23, 2018 and provides a discussion of the Company’s financial and operating results for the quarter ended June 30, 2018 and 2017 with comparisons to previous quarters. This MD&A should be read in conjunction with the annual audited carve-out 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 to spin-out assets comprised of mineral properties and cash, from Taiga Resources Ltd. (see Plan of Arrangement below). Upon closing of the Plan of Arrangement **Taiga** holds properties in Saskatchewan for the purpose of exploring for, and the development of mineral resources. Taiga will hold the Net Smelter Royalties for these properties, and will be a significant shareholder of Taiga moving forward.

**Plan of Arrangement - Spin-Out of Assets**

On October 23, 2017, the Board of Directors of **the Taiga** announced a proposed arrangement to reorganize certain Saskatchewan mineral property assets in an effort to maximize shareholder value.  Under the proposed arrangement, mineral properties targeting primarily gold will be transferred into a new company, incorporated under the name **Taiga Gold Corp.**(“Taiga”).

The reorganization is designed to improve the identification and valuation of specific Taiga’ properties, to enhance Taiga' ability to divest specific properties through simpler corporate ownership, and to enable Taiga to separately finance and develop its various assets, selectively reducing Taiga’ stock dilution. The rationale for the formation of Taiga is to allow for the oversight, direction and financing of the **Fisher** project (currently under option to SSR Mining Inc., formerly Silver Standard Resources Inc.), the **Chico** project (currently under option to Aben Resources Ltd), and the**Orchid**, Leland and **SAM** projects - all currently owned 100% by Taiga. The formation of Taiga will allow Taiga to continue to focus on its core business model of acquiring and advancing grassroots base- and precious-metal exploration properties.

On February 2, 2018, the Company executed a formal arrangement agreement related to the proposed spin-out (the “Arrangement”). Pursuant to the Arrangement, Taiga will acquire Taiga’ interest in Fisher, Chico, Orchid, Leland and SAM properties, not including the NSR’s which will remain with Taiga, together with $300,000 in cash. Each Taiga Shareholder, other than a Dissenting Shareholder, will, immediately after the Arrangement, hold one new common share in the capital of Taiga ("Taiga New Share") and one-half of a common share in the capital of Taiga ("Taiga Share") for each Taiga common share ("Taiga Share") held immediately prior to the Arrangement, where the Taiga New Shares will be identical in every respect to the present Taiga Shares. Taiga will own nineteen point nine percent (19.9%) of the issued and outstanding Taiga Shares upon completion of the Arrangement.

The reorganization was approved by shareholders at a special meeting on April 6, 2018 and received formal approval of the Court of Queen's Bench of Alberta on April 11, 2018.  Taiga securities were listed for trading on the CSE on April 30, 2018.

**Summary of Quarterly Results**

The statements of comprehensive loss for the periods ended prior to and including March 31, 2018 reflect an allocation of Taiga’ general and administrative expenses incurred in each of these periods. The allocation of general and administrative expense was calculated on the basis of the ratio of expenditures incurred on the Spin-out Properties as compared to the total expenditures incurred on all of Taiga’ mineral properties in each of the periods. The financial statements have been presented under the continuity of interests basis of accounting with statement of financial position amounts based on the amounts recorded by Taiga.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| YearQuarter | 2018Jun30 | 2018Mar 31 | 2017Dec 31 | 2017Sep 30 | 2017Jun 30 | 2017Mar 31 | 2016Dec 31 | 2016Sep 30 |
| Revenues | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net Loss | (182,603) | (54,289) | (33,001) | (30,577) | (52,764) | (77,068) | (193,872) | - |
| (Loss) per Share - Basic | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.01) | 0.00 |
| Diluted earnings (loss) per share  | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.00) | (0.01) | 0.00 |
| Assets  | 1,419,500 | 194,022 | 237,557 | 300,580 | 263,047 | 207,441 | 250,487 | 285,386 |

**Taiga Gold Corp.**

**(An Exploration Stage Corporation)**

**Management Discussion and Analysis**

**As at June 30, 2018**

**RESULTS OF OPERATIONS**

**Expenditures**

Operating expenses for the quarter were $184,307 (2017 – $38,390). The administration expenses are comprised mainly of wages, consulting fees and office costs. Trade shows, travel and promotion represent costs for attendance at trade shows and contracting of marketing advisors for promotion of the Plan of Arrangement.

Non-cash expenses included share-based payments of $nil (2017 – $14,374) for options vested and issued in the quarter.

**Liquidity and Financial Resources**

At June 30, 2018, the Company had working capital of $840,803 (2017 - $1). The Company received $300,000 upon closing of the Plan of Arrangement and completed a financing receiving net proceeds of $729,290.

The Company is committed to incur exploration expenditures of $490,138 by December 31, 2019 to meet the renouncement requirement from the issuance of flow-through shares.

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 condensed interim financial statements. For details of option agreements on properties refer to Note 5 in the condensed interim financial statements.

During the quarter ended June 30, 2018, the Company made acquisition and exploration expenditures of $11,362 (2017 - $55,660) and received properties valued at $400,585 pursuant to the Plan of Arrangement. As a result of the foregoing, exploration and evaluation assets totaled $411,947 at June 30, 2018.

**Properties under option agreements**

**Saskatchewan**

**Chico** (Au)

On **December 9, 2016, the Company entered into an option agreement 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 SSR 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. Subsequent to the quarter, the Company 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 Taiga at a deemed price of $.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.

In the third quarter 2017, a geophysical survey, funded by Aben, was completed on the property, revealing numerous high-priority drill targets including a strong and relatively shallow chargeability anomaly that has never been drill tested. In the first quarter 2018, a drill program was started but was subsequently suspended as a result of a request by the citizens of the community of Pelican Narrows and members of the Peter Ballantyne Cree Nation (“PBCN”). Aben may revisit plans to explore the property in the future, following meaningful consultation with the community and PBCN members.

### 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

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**June 30, 2018**

**Properties under option agreements** - continued

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

On October 5, 2016, the Company entered into an option agreement with Silver Standard Resources Inc. (subsequently renamed SSR Mining Inc.) (“SSRM”)whereby SSRM could earn up to a 60% interest in the property, located in Saskatchewan. To earn a 60% interest over four years, SSRM agreed to complete $4,000,000 in exploration expenditures, make an initial cash payment to Taiga of $100,000 and make annual cash payments of $75,000 (the Company received the first annual payment of $75,000 on October 5, 2017). SSRM also agreed to fund the $400,000 2016 exploration program completed by Taiga, which has been included in the $4,000,000 exploration expenditures. Once the 60% earn-in has been completed, SSRM has a 90-day, one-time option 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’ 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' Kettle Falls and Eisler Lake projects were incorporated into the much larger Fisher Project in the Seabee Gold Mine/Santoy Lake area as discussed in a [news release dated April 2, 2016](http://www.eagleplains.com/news/eagle-plains-completes-land-consolidation-seabee-gold-minesantoy-lake-area-saskatchewan). Consolidated in 2016, Taiga completed a number of individual agreements with third-parties and received title to individual dispositions in the area north and south of SSRM’s Seabee Mine property (formerly owned by Claude Resources Inc.) located approximately 125km east of La Ronge, Saskatchewan. Combined with Taiga’ existing tenures in the area, Kettle Falls and Eisler Lake, the total land area is now 33,460 ha. The project is transected by the Churchill River and is accessible by boat or fixed wing aircraft from Missinippe/Otter Lake, located approximately 100 km west of the property and serviced by an all season gravel road.

### Project Highlights

* Excellent geology favourable for gold deposits
* Significantly underexplored with encouraging early results
* Adjacent to the currently producing Seabee Mine
* Multiple untested geophysical anomalies associated with favourable geology
* Numerous high-grade showings focused along a major structure

During mid 2016 the Fisher project underwent a comprehensive data compilation resulting in the delineation of four underexplored areas of significant interest, and these areas were the focus of the 2016 exploration program. Fieldwork for 2016 included a 3,590 line-km airborne geophysical survey, geological mapping, trenching and till and soil geochemical surveys designed to define high-grade gold targets for upcoming drilling activity. The overall objective of the 2016 exploration program was to identify mineralization similar to that of the nearby Seabee and Santoy deposits. The 2016 Fisher field program verified certain similarities to those seen at the Seabee Gold Operation, including host lithologies and contact relationships, style of mineralization, and presence of multiple fault systems that allowed for high fluid flow regimes.

The Company received a summary report from SSRM outlining progress on the 2017 exploration program with the following highlights:

* Detailed geological compilation and geophysical interpretation completed
* Permits approved by Government of Saskatchewan
* 8km winter road completed, providing seasonal land access from the Seabee Gold Operation
* Diamond drill, fuel, heavy equipment and lumber successfully transported to site
* Fieldwork expected to commence in early June and continue until Fall 2017
* 2017 exploration program budget set at approximately $1,000,000

The 2017 exploration program targeting a mineral resource discovery on the Fisher property consisted of till sampling, soil geochemical sampling, geological mapping and prospecting. Results were encouraging, with numerous areas of elevated gold in soils documented within Fisher property boundaries. A cluster of elevated gold in soil anomalies correlate to areas of high strain and shearing, significant alteration and quartz veining that were identified during mapping. The anomalies also coincide with a bifurcation of the Santoy shear zone, with anomalous values following both branches of the structure. Despite poor exposure, the trend has been traced in outcrop over a strike length of 1.5-2.0 km.

A UAV-borne detailed aeromagnetic survey was completed during the fourth quarter of 2017, to be followed by drilling activity in the first quarter of 2018.

**On March 20, 2018,** option partner **SSRM** commenced its 2018 drilling campaign on Eagle Plain’s 100%-owned Fisher Property. SSRM is planning approximately 18,000m (59,000’) of drilling for the property during 2018, with an initial program of 10,000m (33,000’). Exploration activity continues at the project with two drills currently on site and a total of approximately 8,550m has been

completed in 14 holes up to the end of June. Results will be formally announced as they are received, compiled and interpreted.

A field crew of 8 are currently conducting surface exploration activity including prospecting, geological mapping and soil geochemical

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

sampling.  A high-resolution airborne geophysical program was completed over specific areas of the property earlier in the season to aid in structural interpretation. Areas of the property which were not accessible during 2017 due to extensive forest fire activity are now being explored and are found to display greatly enhanced outcrop exposure due to the intensity of the fires.

An all-season road has been completed which links the Fisher property to the Seabee Gold Operation and planning is underway for construction of a year-round camp in the central region of the property.

SSR Mining recently stated that “Surface exploration drilling in the second quarter of 2018 outside the Santoy mine area focused on three areas including CRJ, Santoy 3 and Fisher with 12,052 meters being completed in 23 drillholes. Current activities are focused on testing first pass targets on the Fisher property identified along the length of the Santoy shear zone extension.  Holes completed during the quarter partially tested the Santoy shear zone extension and have intersected favourable lithologies, alteration and mineralization. Analytical results are pending and we continue to be encouraged by the potential of this early stage property” (SSRM NR August 9th, 2018).

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

**Saskatchewan**

**Orchid** (U, Au)

The Orchid project was staked by Taiga in 2014 and was optioned to North Arrow Minerals who explored the property for its diamond potential until relinquishing the option in 2016.  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.

The property is located in east-central Saskatchewan, approximately 140 km east of LaRonge and 15 kilometers east of North Arrow’s Pikoo diamond discovery. The 2,250 ha property is situated along the same structural corridor and within rocks similar to those currently being mined at Seabee. The property is considered to hold significant potential to host gold mineralization.

The Orchid property has seen extensive historical work including geological mapping, prospecting, soil sampling, trenching and ground-based geophysics with the last significant work programs reported in 1995. A single drill hole which was completed in the Tim’s Au Zone area returned 1.3 g/t Au over two separate 0.5 meter intervals. Results from historical work on the Orchid property’s mineral occurrences include:

SMDI 2646 Orchid Zone

|  |  |  |
| --- | --- | --- |
| SAMPLE # | Au in g/t | Description |
| 34075 | 10.03 | Orchid grab sample pyritic quartz veins with tourmaline |
| 34080 | 41.36 | Orchid grab sample pyritic quartz veins with tourmaline |
| 34914 | 36.0 | Grab sample 230 m northwest of Orchid |

SMDI 2645 Tim’s Au / South Lariviere

|  |  |  |
| --- | --- | --- |
| SAMPLE # | Au in g/t | Description |
| 34012 | 19.2 | Tim’s Showing grab sample pyritic quartz veins with tourmaline |
| 35942 | 0.9 | Grab sample 320 m southwest of Tim’s showing |

Many of the other gold occurrences on the Property returned values in excess of 1 g/t Au in both rock and soil samples, with historical records indicating the presence of visible gold in some of the panned soil samples.*Management cautions it has neither verified nor confirmed these results, which are considered to be historical in nature.*

A 2017 field program was completed in late June 2017 and consisted of geological mapping and sampling, trenching and soil geochemical surveys. The purpose of the 2017 program was:

1) to verify gold grades at historical showings;

2) to follow-up previously underexplored geochemical targets, and;

3) to identify new targets through prospecting and completion of new soil geochemical surveys.

A total of 110 rock samples were collected, including 11 channel samples. Twenty-five rock samples returned greater than 1.0 g/t Au, with a best grab sample result of 61.30 g/t Au. Rock sample results included notable accessory metals, with up to 839 ppm Mo, 0.98%

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**Orchid** (U, Au) - continued

Cu and 31.2 g/t Ag. Twenty-five rock samples returned greater than 1.0 g/t Au, with a best grab sample result of 61.30 g/t Au.  A total of 667 soil samples were taken with results of up to 847 ppb Au in soil providing coherent anomalies for follow-up mapping, prospecting, and soil sampling.

 2017 Exploration Highlights:

* Verification grab samples returned up to 61.30 g/t Au from the historical Orchid zone, and 52.43 g/t Au from Tim’s Showing
* Sampling in the eastern portion of the property over an untested tonalite-volcanic contact returned prospective gold-in-soil anomalies up to 170 ppb Au
* High-grade mineralization discovered at the Tiger Lily Showing area returned 6.17 g/t over 1.0 metre including 10.11 g/t over 0.5 metre in channel sampling across a 1.5 metre quartz vein
* Soil geochemical sampling along strike from Tiger Lily Showing contains highly anomalous gold (up to 847 ppb Au) in an area extending approximately 400 m from known exposures
* Additional claims acquired totalling 1952 ha following Summer 2017 work program

A 2018 field program was completed in August and was comprised of geologic mapping, prospecting and soil sampling which followed-up a 500 line-km high-resolution airborne (drone) magnetic survey which was conducted earlier in the summer. The objective of 2018 geological work was to establish drill targets for future exploration. All geochemical results for the program are pending.

As previously announced, Taiga has recently increased the property area by 50% to 8,376ha which carries no underlying royalties or encumbrances (Taiga NR June 28, 2018).

**SAM (Au)**

The property was originally acquired by Eagle Plains by staking a block of claims covering an area of 1,000 ha centered approximately 15km west of Flin Flon, Manitoba. The property area has seen encouraging historical exploration activity targeting gold and base-metals. Numerous gold and base-metal occurrences have been documented by past operators. The claims are 100% owned by Taiga and carry no underlying royalties or encumbrances. The property is contiguous with Cameco and SGO Mining Inc., which was recently acquired by SSR Mining Inc.

Historical Highlights

* SAM Zone VMS mineralization drill intercepts include: 2.32m grading 1.86 g/t Au and 5.52% Cu; 2.16m grading 2.56 g/t Au, 3.26% Cu; 2.9m grading 0.36 g/t Au, 0.99% Cu; 1.6m grading 1.65 g/t Au, 4.48% Cu and 4.85m grading 0.53 g/t Au, 1.0% Cu
* Numerous underexplored gold and VMS occurrences on property

Taiga intends to carry out a detailed compilation of all historical work in the property area, and will work to create a comprehensive database to aid in the planning and execution of future exploration programs on the property.

**Transactions with Related Parties**

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

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

|  |  |  |
| --- | --- | --- |
|  | **2018** | 2017 |
| Expenses paid by EPL | **$ -** | $ 38,390 |
| Exploration costs paid by EPL | **-** | 55,660 |
| Administrative services provided by EPL | **6,200** | - |
| Share of proceeds from exercise of EPL options | **(7,282)** | - |
|  | **$ (1,082)** | $ 94,050 |

1. Compensation to key management

 Compensation to key management personnel in the quarter:

|  |  |  |  |
| --- | --- | --- | --- |
| Administration costs  |   | **2018** | 2017 |
|  Management fees | to a company owned by a director |  |  |
|  | and officer of Taiga | **$ 7,000** | $ 6,835  |
|  Wages and benefits | to directors and officers of Taiga | **8,333**  | 7,910  |
|  Professional fees | to a director and officer of Taiga | **3,500**  | 2,260  |
|  Share-based payments  | to directors and officers | **-**  | 13,892  |
|  |  | **$ 18,833**  | $ 30,897  |

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**Transactions with Related Parties -** continued

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.

**Off-Balance Sheet Arrangements**

The Company has not entered into any off-balance sheet transactions.

**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.

At August 15, 2018, the Company had 60,274,050 (2017 – nil) common shares issued and outstanding, upon completion of the Plan of Arrangement. There are no other classes of shares outstanding. The Company issued 72,500 shares on the exercise of options in Taiga subsequent to the quarter.

At August 15, 2018, the Company has 5,200,000 (2017 – nil) options outstanding with exercise prices of $0.20 and expiry dates of July 20, 2023.

* The Company has a commitment to 4,300,000 options outstanding in Taiga pursuant to the Plan of Arrangement.

At August 15, 2018, the Company has 3,937,500 (2017 – nil) warrants outstanding with exercise prices of $0.40 and expiry dates of June 8, 2020.

* The Company has a commitment to 2,217,000 warrants outstanding in Taiga pursuant to the Plan of Arrangement.

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

**Accounting Policies**

The condensed interim financial statements for the Company for the periods ending June 30, 2018 and 2017 are prepared in accordance with International Financial Reporting Standard 34 (“IAS 34”), Interim Financial Reporting, using 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”) and in accordance with a financial reporting framework specified in subsection 3.11(6) of the National Instrument 52-107 *Acceptable Accounting Principles and Auditing Standards* for carve-out financial statements.

**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,

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**Risk Factors - continued**

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 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.

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**Management Discussion and Analysis**

**June 30, 2018**

**Risk Factors - continued**

**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.

**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

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**June 30, 2018**

**Risks and Uncertainties - continued**

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 Event**

On July 20, 2018, the Company granted 5,200,000 options with exercise prices of $0.20 and expiry dates of July 20, 2023 to directors, employees and key consultants.

**Outlook**

As a 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 benefits from having 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 both its’ Fisher and Chico projects (SSR Mining and Aben Resources respectively), who are funding aggressive exploration programs on the projects.

These are very early days for Taiga, and management endeavours to work diligently on behalf of the shareholders to deliver positive returns. Management feels strongly that ongoing exploration of our primary projects coincide with strengthening markets and more positive outlooks for the mining and exploration industry in general. We thank our shareholders for their support and look 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