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, 2021 and 2020

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, 2021.

The Management of Taiga Gold Corp. is responsible for the preparation of the accompanying condensed interim financial statements as at June 30, 2021.

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"*
Timothy J. Termuende, P. Geo	Glen J. Diduck
President and Chief Executive Officer	Chief Financial Officer

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	June 30 2021 (unaudited)	December 31 2020 (audited)
Assets		
Current		
Cash and cash equivalents	**$5,364,577**	$ 558,269
Accounts receivable (Note 7)	**32,091**	132,052
Prepaid expenses	**9,052**	30,285
Investments (Note 4)	**82,500**	68,750
	5,488,220	789,356
Exploration and evaluation assets (Note 5)	**1,257,589**	463,047
	$6,745,809	$1,252,403
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities (Note 7)	**$ 311,846**	$ 51,090
Project prepayments	**100,000**	-
Premium on flow-through shares	**162,672**	-
	574,518	51,090
Shareholders' equity		
Share capital (Note 10)	**11,108,207**	8,884,622
Contributed surplus	**827,098**	817,213
Deficit	**(5,764,014)**	(8,500,522)
	6,171,291	1,201,313
	$6,745,809	$1,252,403

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)

TAIGA GOLD CORP.
(An Exploration Stage Corporation)
CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	Three Months Ended Jun 30		Six Months Ended Jun 30	
	2021	2020	**2021**	2020
Revenue	**$ 4,501**	$ -	**$ 37,016**	$ 4,992
Operating expenses				
Administration costs (Note 7)	**71,722**	65,528	**142,364**	136,729
Professional fees (Note 7)	**14,187**	14,982	**26,758**	27,409
Public company costs	**10,163**	11,874	**14,393**	16,348
Trade shows, travel and promotion	**28,349**	85,003	**124,349**	247,874
	(124,421)	(177,387)	**(307,864)**	(428,360)
Loss before other items	**(119,920)**	(177,387)	**(270,848)**	(423,368)
Other items				
Other income	**4,000**	2,482	**4,866**	716
Other expense (Note 7)	**-**	(282,749)	**-**	(285,795)
Option proceeds in excess of carrying value	**-**	-	**2,973,897**	-
Premium on flow-through shares	**87,228**	-	**87,228**	-
Unrealized gain on investments (Note 4)	**(25,000)**	23,750	**(48,750)**	23,750
Share-based payments (Note 10)	**(4,942)**	(247,121)	**(9,885)**	(247,121)
Income (loss) for the period	**$(58,634)**	$(681,025)	**$2,736,508**	$(931,818)
Earnings (loss) per share – basic and diluted (Note 11)	**$(0.00)**	$(0.01)	**$0.03**	$(0.01)
Weighted average number of shares – basic and diluted (Note 11)	**93,168,823**	79,924,065	**87,572,574**	79,244,720

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

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,	2021	2020
Cash flows from operating activities		
Income (loss) for the period	**$2,736,508**	$(931,818)
Adjustment for:		
Share-based payments	**9,885**	247,121
Unrealized (gain) loss on investments	**48,750**	(23,750)
Premium on flow-through shares	**(87,228)**	-
Option proceeds in excess of carrying value	**(2,973,897)**	-
	(265,982)	(708,447)
Changes in non-cash working capital items		
(Increase) decrease in accounts receivable	**99,960**	(88,239)
(Increase) decrease in prepaid expenses	**21,233**	(7,242)
Increase (decrease) in accounts payable and accrued liabilities	**260,756**	(40,560)
Increase in prepaid deposits	**100,000**	-
	215,967	(844,488)
Cash flows from financing activities		
Proceeds from issuance of shares	**2,499,000**	1,399,616
Share issuance costs	**(159,520)**	(30,293)
Proceeds from exercise of options	**-**	99,500
Proceeds from exercise of warrants	**134,005**	64,500
	2,473,485	1,533,323
Cash flows from investing activities		
Cash received for option payments	**3,044,983**	30,000
Exploration and evaluation assets expenditures	**(928,127)**	(18,032)
	2,116,856	11,968
Increase in cash and cash equivalents	**4,806,308**	700,803
Cash and cash equivalents, beginning of period	**558,269**	31,817
Cash and cash equivalents, end of period	**$5,364,577**	$ 732,620
Cash and cash equivalents comprise:		
Bank deposits	**$ 156,515**	$230,586
Term deposits	**5,208,062**	502,034
	$5,364,577	$732,620

The Company made no cash payments for interest or income taxes.
The Company received cash payments of $4,866 (2020 - $2,665) for interest.
Supplemental Cash Flow Information:
Pursuant to certain mineral property option agreements, the Company received 250,000 (2020 –250,000) shares with an attributed value of $62,500 (2020 - $43,750).

TAIGA GOLD CORP.
(An Exploration Stage Corporation)
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

	Share Capital		Contributed		
	Shares	Amount	Surplus	Deficit	Total
Balance, December 31, 2019	63,887,050	$7,271,993	$560,207	$(7,230,371)	$ 601,829
Shares issued for EPL options exercised	1,020,000	99,500	-	-	99,500
Shares issued for private placement	15,551,273	1,399,615	-	-	1,399,615
Shares issued for warrants exercised	437,500	64,500	-	-	64,500
Share issue costs	-	(30,293)	-	-	(30,293)
Share-based payments	-	-	247,121	-	247,121
Loss for the year	-	-	-	(931,818)	(931,818)
Balance, June 30, 2020	80,895,823	$8,805,315	$807,328	$(8,162,189)	$1,450,454
Balance, December 31, 2020	81,745,823	$ 8,884,622	$817,213	$(8,500,522)	$1,201,313
Shares issued for flow-through financing	12,495,000	2,499,000	-	-	2,499,000
Shares issued for warrants exercised	1,087,000	134,005	-	-	134,005
Share issue costs	-	(159,520)	-	-	(159,520)
Share-based payments	-	-	9,885	-	9,885
Income for the period	-	-	-	2,736,508	2,736,508
Balance, June 30, 2021	**95,327,823**	**$11,108,207**	**$827,098**	**$(5,764,014)**	**$6,171,291**

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

1. Nature and continuance of operations

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

The Company is a junior resource company holding properties located in Saskatchewan for the purpose of exploring for, and the development of, mineral resources and is considered to be in the exploration stage as it has not placed any of its mineral properties into production. The Company acts as the operator on certain option agreements and derives revenue from this.

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

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

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

2. Basis of Preparation

(a) Statement of Compliance

The condensed interim financial statements for the Company for the periods ending June 30, 2021 and 2020 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").

These financial statements were authorized for issue by the Board of Directors on August 26, 2021.

(b) 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") 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.

(c) 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

2. Basis of Preparation - continued

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 years if the revision affects both current and future years.

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

Areas of significant judgment include the Company's ability to continue as a going concern (note 1); the classification of financial instruments; 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.

3. Significant Accounting Policies

The condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as described in Note 3 to the audited financial statements for the year ended December 31, 2020.

<u>New accounting pronouncements</u>
Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or IFRIC that are mandatory for accounting years beginning after January 1, 2021, or later years. Updates that are not applicable or are not consequential to the Company have been excluded in the preparation of these condensed interim financial statements.

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

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments to IAS 37 specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). These amendments are effective for reporting periods beginning on or after January 1, 2022.

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

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

4. Investments

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

(Expressed in Canadian dollars)

4. Investments - continued

	June 30, 2021		December 31, 2020	
	Market Value	**Cost**	Market Value	Cost
Current:				
Common shares in public companies	**$ 82,500**	**$ 135,000**	$ 68,750	$ 72,500

For securities traded in an active market, market value is based on the quoted closing bid prices of the securities at June 30, 2021. Cost is calculated using the quoted closing bid price on the date of receipt of the securities.

During the period, the Company received 250,000 (2020 – 250,000) shares for the various option and property purchase agreements in effect with an attributed value of $62,500 (2020 - $43,750).

The Company recorded unrealized gain (loss) on investments of $(48,750) (2020 – $23,750) in the period which is included in the condensed interim statements of comprehensive income (loss).

5. Exploration and Evaluation Assets

During the period ended June 30, 2021, the Company made acquisition and exploration expenditures of $928,128 (2020 - $18,032) and received options payments of $3,107,483 (2020 - $73,750). As a result of option payments received, the Company recorded in income, option proceeds in excess of carrying value of $2,973,897 (2020 - $nil). Exploration and evaluation assets totaled $1,257,589 at June 30, 2021, up from $463,047 at December 31, 2020.

	Dec 31 2020	Acquisition and Exploration	Option Payments	Option proceeds in excess of carrying value	Jun30 2021
Chico	$ -	$ -	$ -	$ -	$ -
Fisher	25,000	1,087	(2,999,983)	2,973,897	1
Leland	186,367	-	(87,500)	-	98,867
Mari Lake	1,816	28,389	-	-	30,205
Orchid	125,877	903,996	-	-	1,029,873
SAM	122,112	(5,344)	(20,000)	-	96,768
Other	1,875	-			1,875
	$463,047	**$928,128**	**$(3,107,483)**	**$2,973,897**	**$1,257,589**

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

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets - continued

Summary of acquisition and exploration expenditures:

	6 months 2021	YTD 2020
Analytical	$ 17,001	$ 6,155
Environmental & consultations	360	5,534
Drilling	301,711	-
Equipment rental	38,228	2,498
Geological and geochemical	3,369	796
Labour	133,623	21,674
Transportation	341,310	-
Travel and camp	85,337	2,716
Tenure and acquisitions	7,189	16,687
	$928,128	$56,060

The Company has interests in a number of optioned exploration projects. As at June 30, 2021, the Company has executed option agreements with third parties on the following projects:

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

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

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

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

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets - continued

Fisher Project - continued

Payments are due as follows:

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

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

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

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

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

Cash Payments	Share Payments	Exploration Expenditures	Due Date
$ 10,000	-	$ -	Letter of intent (August 17, 2020) (received)
20,000	-	-	On the effective date (August 26, 2020) (received)
20,000	150,000	-	Earlier of date of going public and 120 days following the effective date. (received cash)
20,000	50,000	100,000	July 31, 2021
-	200,000	-	12 months after going public
60,000	200,000	600,000	18 months after going public
100,000	200,000	800,000	30 months after going public
270,000	200,000	1,000,000	42 months after going public

(Expressed in Canadian dollars)

5. Exploration and Evaluation Assets - continued

SAM Gold Project - continued

Cash Payments	Share Payments	Exploration Expenditures	Due Date
-	-	1,500,000	54 months after going public
$ 500,000	1,000,000	$ 4,000,000	

6. Financial Instruments

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

June 30, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:				
Cash and cash equivalents	**$ 5,364,577**	**$ -**	**$ -**	**$ 5,364,577**
Investments	**$ 82,500**	**$ -**	**$ -**	**$ 82,500**

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

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

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

a) Concentration risk
At June 30, 2021 and 2020, substantially all of the Company's cash and cash equivalents were held at two recognized Canadian National financial institutions. As a result, the Company was exposed to all of the risks associated with those institutions.

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

(Expressed in Canadian dollars)

6. Financial Instruments - continued

c) Currency risk

Currency risk is the risk to the Company's operations that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. At June 30, 2021, the Company held cash of $4,309 (2020 - $3,792) in US$. The Company is not exposed to significant currency risk.

d) Price risk

The Company's investments designated as FVTPL are traded on the TSX Venture, TSE and CSE. A 10% change in the cumulative quoted share price would change the fair value of the investments by approximately $8,000 (2020 - $6,670). The change would be recorded in the statements of comprehensive income (loss).

e) 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.

f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of June 30, 2021 equal $311,846. Of the liabilities presented as accounts payable and accrued liabilities, $303,004 are due within 30 days of June 30, 2021.

7. Related Party Transactions

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

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

	2021	2020
Administrative services provided by EPL	**$ 28,836**	$ 28,836
Costs reimbursed to EPL	**$ 7,447**	$ 314,576*
Exploration services provided by EPL	**$1,622,293**	$ 18,560
Proceeds from exercise of EPL options	**$ (5,467)**	$ (99,500)

*Includes $282,749 for spin-out costs repaid to Eagle Plains per the Plan of Arrangement.
At June 30, 2021, $290,158 (2020 - $11,382) is included in accounts payable and accrued liabilities.
At June 30, 2021, $nil (2020 - $99,198) is included in accounts receivable.

(b) Included in professional fees is $8,320 (2020 - $6,186) paid or accrued for legal fees to a law firm of which one of the directors, Darren Fach, is a partner.

Compensation to key management

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

		2021	2020
Administration costs			
Consulting fees	to a company owned by a director and officer of Taiga	**$ 48,000**	$ 47,000
Director fees	to directors of Taiga	**-**	5,000

(Expressed in Canadian dollars)

7. Related Party Transactions - continued

Compensation to key management- continued

		2021	2020
Wages and benefits	to directors and officers of Taiga	**47,184**	50,692
Professional fees	to a director and officer of Taiga	**21,000**	21,000
		$ 116,184	$ 123,692

(c) Included in administration costs is $48,000 (2020 - $47,000) paid or accrued for management services to a company owned by a director and officer of the Company.

(d) Included in administration costs is $47,184 (2020 - $50,692) paid or accrued for wages and benefits to directors and officers of the Company.

(e) Included in professional fees is $21,000 (2020 - $21,000) paid or accrued for accounting services to a director and officer of the Company.

(f) Director fees of $nil (2020 - $5,000) were paid to two directors of the Company.

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

Per the 2018 Plan of Arrangement, the Company has agreed to issue shares upon the exercise of options and/or warrants in Eagle Plains on the basis of one Taiga share for every 2 Eagle Plains shares exercised. As at June 30, 2021, the total commitment is for 1,642,500 options exercisable at $$0.15 with expiry dates of March 31, 2022 to February 19, 2023 and 2,217,000 warrants exercisable at $0.40 and expiring February 7, 2022. The Company will receive a pro-rata share of the exercise proceeds from Eagle Plains.

The Company is committed to incur exploration expenditures of $1,626,720 (2020 - $nil) by December 31, 2022 to meet renouncement requirements from the issuance of flow-through shares in April 2021.

The Company is committed to fund a cash call for the Fisher JV which will be for 20% of the Fisher JV expenditures in 2021, which management estimates will be approximately $400,000

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

9. Capital Management

The Company includes cash and cash equivalents and shareholders' equity, comprising of issued common shares and contributed surplus and deficit, in the definition of capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

9. Capital Management - continued

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, 2021 and 2020. The Company is not subject to externally imposed capital requirements.

10. Equity Instruments

(a) Authorized

Unlimited number of common shares without nominal or par value.

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

(b) Issued and outstanding

At June 30, 2021, there were 95,327,823 (2020 – 80,895,823) shares outstanding.

- In the second quarter 2021, the Company completed a flow-through financing, issuing 12,495,000 shares for proceeds of $2,499,000. The Company incurred share issue costs of $159,520.
- In the second quarter 2021, the Company issued 795,000 shares from the exercise of share purchase warrants and received proceeds of $95,400.
- In the first quarter 2021, the Company issued 292,000 shares from the exercise of share purchase warrants and received proceeds of $38,640.
- In the fourth quarter 2020, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of $18,000.
- In the fourth quarter 2020, the Company issued 220,000 shares from the exercise of Eagle Plains' options and received proceeds of $14,667.
- In the third quarter 2020, the Company issued 100,000 shares from the exercise of share purchase warrants and received proceeds of $18,000.
- In the third quarter 2020, the Company issued 430,000 shares from the exercise of Eagle Plains' options and received proceeds of $28,640.
- In the second quarter 2020, the Company issued 1,020,000 shares from the exercise of Eagle Plains' options and received proceeds of $99,500.
- In the second quarter 2020, the Company issued 437,500 shares from the exercise of share purchase warrants and received proceeds of $64,500.
- On February 6, 2020, the Company completed a non-flow-through financing, issuing 15,551,273 shares for proceeds of $1,399,615. The Company incurred share issue costs of $30,293.

Financings

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

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

(Expressed in Canadian dollars)

10. Equity Instruments - continued

share and one non-flow-through common share purchase warrant, each whole warrant exercisable at $0.18 for a 24-month period.

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

During the periods ended June 30, 2021 and 2020, the Company had the following stock option activities:

Total issued and outstanding	Number of Options	Option Price per Share Range	Weighted Average Exercise Price
Balance, December 31, 2019	5,105,000	$ 0.20	$ 0.20
Granted	2,700,000	0.20	0.20
Cancelled	(170,000)	(0.20)	(0.20)
Balance June 30, 2020	7,635,000	$ 0.20	$ 0.20
Balance, December 31, 2020	7,600,000	$ 0.20	$ 0.20
Cancelled	(30,000)	(0.20)	(0.20)
Balance June 30, 2021	**7,570,000**	**$ 0.20**	**$ 0.20**

At June 30, 2021, the following table summarized information about stock options outstanding:

Options Outstanding June 30, 2021	Exercise Price	Expiry Date	Number of Options Exercisable	Weighted Average Remaining Life
4,615,000	$0.20	July 20, 2023	4,615,000	2.05 years
300,000	$0.20	August 15, 2024	300,000	3.13 years
2,655,000	$0.20	April 28, 2025	2,655,000	3.83 years
7,570,000			**7,570,000**	**2.72 years**

(d) Share-based payments for share options
During the period ended June 30, 2021, $9,885 (2020 – $247,121) was recorded as share-based payments related to options granted and vested during the period. Compensation expense has been determined based on the estimated fair value of the options at the grant dates and amortized over the vesting period. The Company valued the options using the Black Scholes model.

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

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

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

(Expressed in Canadian dollars)

10. Equity Instruments - continued

(e) Warrants outstanding
At June 30, 2021, the Company had 32,396,273 (2020 – 20,357,773) warrants outstanding exercisable from $0.18 to $0.40 (2020 - $0.12 - $0.40) and expiring from February 7, 2022 to June 6, 2022.

Total issued and outstanding	Number of Warrants	Option Price per Share Range	Weighted Average Exercise Price
Balance, December 31, 2019	5,244,000	$0.12 - 0.40	$ 0.18
Issued	15,551,273	0.18	0.18
Exercised	(437,500)	(0.12 - $0.18)	(0.15)
Balance, June 30, 2020	20,357,773	$0.12 - 0.40	$ 0.22
Balance, December 31, 2020	20,157,773	$0.12 - 0.40	$ 0.22
Issued	13,367,500	0.20	0.20
Exercised	(1,087,000)	(0.12 - 0.18)	(0.18)
Expired	(42,000)	(0.12)	(0.12)
Balance, June 30, 2021	**32,396,273**	**$0.18 - 0.40**	**$ 0.21**

At June 30, 2021, the following table summarizes information about warrants outstanding:

Warrants Outstanding June 30, 2021	Exercise Price	Expiry Date	Weighted Average Remaining Life
3,937,500	$0.40	June 6, 2022*	0.93 years
15,091,273	$0.18	February 7, 2022	0.61 years
13,367,500	$0.20	October 15, 2023	2.29 years
32,396,273			**1.34 years**

* On May 11, 2021, the Company extended the expiry date one year to June 6, 2022. All other terms remain unchanged.

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, 2021 of 87,572,574 shares (2020 – 79,244,720). The net effect of applying the treasury-stock method to the weighted average number of shares outstanding did not impact EPS significantly for 2021, and had an anti-dilutive effect for the period ended June 30, 2020.

12. Subsequent Events

No subsequent events.