

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"

Timothy J. Termuende, P. Geo
President and Chief Executive Officer

"Glen J Diduck"

Glen J. Diduck
Chief Financial Officer

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

	June 30	December 31
	2018	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)

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

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

	Three Months Ended Jun 30		Six Months 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

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,	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.

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

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	Funding provided by and expenses paid by	Deficit	Total
	Shares	Amount	Surplus	Eagle Plains		
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

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

June 30, 2018 and 2017

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

(a) 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

June 30, 2018 and 2017

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.

(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”) 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.

(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 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.

4. 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:

a) 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.

June 30, 2018 and 2017

4. Significant Accounting Policies - continued

b) 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.

c) 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.

June 30, 2018 and 2017

4. Significant Accounting Policies - continued

c) 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:

- i. 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.
- ii. Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- iii. 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.
- iv. 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.

c) 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.

d) 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

June 30, 2018 and 2017

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.

e) 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.

f) 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.

g) 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.

h) 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

June 30, 2018 and 2017

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.

i) 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.

June 30, 2018 and 2017

4. Significant Accounting Policies - continued

i) 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.

j) 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.

k) 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.

l) 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.

June 30, 2018 and 2017

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 2017	Adjustments for POA	Acquisition and Exploration	Option Payments	Jun 30 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 2017 (note 4j)		Acquisition and Exploration	Option Payments	Dec 31 2017 (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

- (a) **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

June 30, 2018 and 2017

5. Exploration and Evaluation Assets - continued

(a) **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 Payments	Share Payments	Exploration Expenditures	<u>Due Date</u>
\$ 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
<u>\$ 100,000</u>	<u>1,500,000</u>	<u>\$ 1,500,000</u>	

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.

(b) **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:

Taiga Gold Corp.
(An Exploration Stage Corporation)
Notes to Condensed interim Financial Statements
(Unaudited – prepared by management)
(Expressed in Canadian dollars)

June 30, 2018 and 2017

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 renoucement 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

June 30, 2018 and 2017

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

(a) 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.

(b) 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.

(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.

There are no options outstanding at June 30, 2018.

June 30, 2018 and 2017

10. Equity Instruments - continued

(d) Warrants outstanding

At June 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.

(e) 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
<hr/>				
June 30, 2017	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	\$ 1	\$ -	\$ -	\$ 1

June 30, 2018 and 2017

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.

- a) 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.
- 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 accounts receivable is the carrying value.
- 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. The Company is not exposed to significant currency risk.
- 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.

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.

