

**TAIGA GOLD CORP.**  
**(An Exploration Stage Corporation)**  
**INTERIM CARVE-OUT FINANCIAL STATEMENTS**  
(Unaudited – prepared by management)  
(Expressed in Canadian dollars)

For the periods ended  
March 31, 2018 and 2017

**NOTICE TO READER OF THE  
INTERIM CARVE-OUT 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 interim carve-out financial statements for the period ended March 31, 2018.

The Management of Taiga Gold Corp. is responsible for the preparation of the accompanying interim carve-out financial statements as at March 31, 2018.

The interim carve-out 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"*

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

*"Glen J Diduck"*

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Glen J. Diduck, CPA, CA  
Chief Financial Officer

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

	<b>March 31</b>	<b>December 31</b>
	<b>2018</b>	<b>2017</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 1	\$ 1
Exploration and evaluation assets (Note 5)	194,021	237,556
	<b>\$ 194,022</b>	<b>\$ 237,557</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Shareholders' equity</b>		
Share capital	\$ 1	\$ 1
Contributed surplus	1,082,125	1,071,371
Deficit	(888,104)	(833,815)
	<b>194,022</b>	<b>237,557</b>
	<b>\$ 194,022</b>	<b>\$ 237,557</b>

**Nature and continuance of operations** (Note 1)

**Commitments and contingencies** (Note 8)

**Subsequent event** (Note 10)

**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 carve-out interim financial statements.

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

	<b>Three months ended Mar 31 2018</b>	Three months ended Mar 31 2017
<b>Expenses</b>		
Administration costs	<b>\$ 15,246</b>	\$ 28,462
Professional fees	<b>5,614</b>	2,117
Public company costs	<b>3,857</b>	2,347
Share-based payments (Note 6)	<b>16,353</b>	38,076
Trade shows, travel and promotion	<b>13,219</b>	6,066
<b>Net loss for the period</b>	<b>\$ 54,289</b>	\$ 77,068
Net loss per share – basic and diluted	<b>\$(0.00)</b>	\$(0.00)
Weighted average number of shares outstanding – basic and diluted	<b>44,761,933</b>	42,156,834

The accompanying notes are an integral part of these carve-out interim financial statements.

**TAIGA GOLD CORP.**  
**(An Exploration Stage Corporation)**  
**INTERIM CARVE-OUT STATEMENTS OF CASH FLOWS**  
(Unaudited – prepared by management)  
(Expressed in Canadian dollars)

	<b>Three months ended Mar 31 2018</b>	Three months ended Mar 31 2017
<b>Cash flows from operating activities</b>		
Loss for the period	<b>\$ (54,289)</b>	\$ (77,068)
Adjustment for:		
Share-based payments	<b>16,353</b>	38,076
	<b>(37,936)</b>	(38,992)
<b>Cash flows from financing activity</b>		
Funding provided by Eagle Plains	<b>(5,599)</b>	(4,054)
<b>Cash flows from investing activities</b>		
Exploration and evaluation assets expenditures	<b>43,535</b>	43,046
<b>Increase in cash</b>	<b>-</b>	-
Cash, beginning of period	<b>1</b>	-
<b>Cash, end of period</b>	<b>\$ 1</b>	\$ -

The Company made no cash payments for interest or income taxes.

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

	Share	Capital	Contributed	Funding		
	Shares	Amount	Surplus	provided by and expenses paid by Eagle Plains	Deficit	Total
Balance, December 31, 2016	-	\$ -	\$40,585	\$850,307	\$(640,405)	\$250,487
Share-based payments	-	-	38,076	-	-	38,076
Funds provided by Eagle Plains	-	-	-	(4,054)	-	(4,054)
Loss for the period	-	-	-	-	(77,068)	(77,068)
<b>Balance, March 31, 2017</b>	<b>-</b>	<b>\$-</b>	<b>\$78,661</b>	<b>\$846,253</b>	<b>\$(640,405)</b>	<b>\$207,441</b>
Balance, December 31, 2017	1	\$1	\$93,582	\$977,789	\$(833,815)	\$237,557
Share-based payments	-	-	16,353	-	-	16,353
Funds provided by Eagle Plains	-	-	-	(5,599)	-	(5,599)
Loss for the period	-	-	-	-	(54,289)	(54,289)
<b>Balance, March 31, 2018</b>	<b>1</b>	<b>\$1</b>	<b>\$109,935</b>	<b>\$972,190</b>	<b>\$(888,104)</b>	<b>\$194,022</b>

The accompanying notes are an integral part of these carve-out interim financial statements.

**March 31, 2018 and 2017**

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## **1. Nature and continuance of operations**

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These interim carve-out financial statements reflect the financial position, results of operations, and cash flows for Taiga Business. (the "Business"), a division of Eagle Plains Resources Ltd. ("Eagle Plains") which is to be transferred from Eagle Plains pursuant to the arrangement described in Note 2. The Business 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, 44-12<sup>th</sup> Avenue South, Cranbrook, British Columbia, Canada.

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

The Business' ability to continue as a going concern is dependent on Taiga Gold Corp. ("Taiga"), a new company incorporated on September 28, 2017 to receive the Business, the ability of Taiga to raise equity or debt financing or the attainment of profitable operations to settle liabilities as they become payable. These material uncertainties may cast significant doubt about the Business' ability to continue as a going concern. These interim carve-out financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities in the normal course of business. These interim carve-out financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary, should the Business be unable to continue as a going concern.

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## **2. Transfer of Business**

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On February 2, 2018, the Company executed a formal arrangement agreement related to the proposed spin-out (the "Arrangement"). Pursuant to the Arrangement, Taiga will acquire 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 will be listed for trading on the CSE on April 30, 2018.

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## **3. Basis of Preparation**

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### **(a) Statement of Compliance**

The interim carve-out financial statements for the Company for the periods ending March 31, 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

**March 31, 2018 and 2017**

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### **3. Basis of Preparation - continued**

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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 interim carve out financial statements were authorized for issue by the Board of Directors on May 23, 2018.

(b) Basis of Measurement

These interim carve-out 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 interim carve-out financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These interim carve-out financial statements are presented in Canadian dollars, which is also the Business’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; determining when the decline in fair value of investment is considered to be prolonged or significant; 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 Business as this would result in the properties being shown as mines under construction instead of exploration and evaluation assets.

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### **4. Significant Accounting Policies**

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The accounting policies set out below have been applied consistently to all periods presented in these interim carve-out financial statements. The accounting policies have been applied consistently by the Business. The interim carve-out 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) Financial instruments

Financial instruments recognized in the interim carve-out statements of financial position include cash.

**March 31, 2018 and 2017**

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#### **4. Significant Accounting Policies - continued**

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##### *Available-for-sale (“AFS”) financial assets*

Investments in marketable securities are classified as AFS financial assets. Investments are initially recognized at fair value and are subsequently carried at fair value with changes recognized in other comprehensive income or loss. Fair value is based on quoted closing bid prices for publicly traded shares without recognizing the possible effects of price fluctuations, quantities traded and similar items. Regular way purchases and sales of financial assets are accounted for at settlement date. Assets are designated as AFS when they are not included in the other financial instrument classifications.

The fair value for investments designated as available-for-sale is recorded on the carve out interim statements of financial position, with unrealized gains and losses, net of related income taxes, recorded in accumulated other comprehensive income (“AOCI”). The cost of securities sold is based on the weighted average method. Realized gains and losses, and impairment losses, on these equity securities are removed from AOCI and recorded in profit or loss.

##### *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.

Unless otherwise indicated, it is management's opinion that the Business 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.

#### b) 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 Business enters into farm-out arrangements, whereby the Business 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 Business. The Business 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 Business, with any excess consideration accounted for as a gain on disposal.

The Business 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 Business, 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.

**March 31, 2018 and 2017**

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#### **4. Significant Accounting Policies - continued**

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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 Business 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 Business'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 Business has a direct ownership interest in jointly controlled assets and obligations for liabilities. The carve out financial statements include the Business's interest in the assets, liabilities, revenues, expenses, and cash flows of this type of arrangement.

Joint ventures arise when the Business has rights to the net assets of the arrangement. For these arrangements the Business uses the equity method of accounting and recognizes initial and subsequent investments at cost, adjusting for the Business'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 periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

**March 31, 2018 and 2017**

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#### **4. Significant Accounting Policies - continued**

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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 interim carve-out 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 Business 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 Business 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 Business reassesses unrecognized deferred tax assets. The Business 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 Business are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Business'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.

**March 31, 2018 and 2017**

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#### **4. Significant Accounting Policies - continued**

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##### *Valuation of equity units issued in private placements*

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

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

##### *Flow-through shares*

Resource expenditure deductions for income tax purposes related to exploratory activities funded by flow-through share arrangements are renounced to investors in accordance with income tax legislation. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Business 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 Business 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 Business's reporting period is disclosed separately as flow-through share proceeds in Note 8, if any.

The Business 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 interim carve-out 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 interim carve-out 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.

**March 31, 2018 and 2017**

**4. Significant Accounting Policies - continued**

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

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Business 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

Basic loss per share is calculated using the weighted average number of shares outstanding during the year. 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.

The Business 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 and warrants are anti-dilutive for each period presented.

**5. Exploration and Evaluation Assets**

During the period ended March 31, 2018, the Taiga Business made acquisition and exploration expenditures of \$17,715 (2017 - \$9,454) and received option payments of \$61,250 (2017 - \$52,500). As a result of the foregoing, exploration and evaluation assets totaled \$194,021 at March 31, 2018, down from \$237,556 at December 31, 2017.

	Dec 31 2016	Acquisition and Exploration	Option Payments	Mar 31 2017
Chico	\$ 81,604	\$ 4,757	\$(52,500)	\$ 33,861
Fisher	133,158	-	-	133,158
Leland	34,775	-	-	34,775
Orchid	350	4,697	-	5,047
SAM	600	-	-	600
	<u>\$250,487</u>	<u>\$ 9,454</u>	<u>\$(52,500)</u>	<u>\$207,441</u>

	Dec 31 2017	Acquisition and Exploration	Option Payments	Mar 31 2018
Chico	\$ 33,815	\$ 4,308	\$(61,250)	\$(23,127)
Fisher	66,145	2,364	-	68,509
Leland	39,561	3,720	-	43,281
Orchid	92,060	4,053	-	96,113
SAM	5,975	3,270	-	9,245
	<u>\$237,556</u>	<u>\$ 17,715</u>	<u>\$(61,250)</u>	<u>\$194,021</u>

**March 31, 2018 and 2017**

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

The Company has interests in a number of optioned exploration projects. As at March 31, 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 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	Due Date
\$ 25,000	-	\$ -	December 9, 2016 (received)
-	250,000	-	January 6, 2017 (received)
25,000	250,000	150,000	January 6, 2018 (received)
25,000	500,000	250,000	January 6, 2019
25,000	500,000	450,000	January 6, 2020
-	-	650,000	January 6, 2021
<u>\$ 100,000</u>	<u>1,500,000</u>	<u>\$ 1,500,000</u>	

- (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. SSO has also agreed to fund the ongoing \$400,000 2016 exploration program currently underway by Eagle Plains, which will be included in the \$4,000,000 exploration expenditures. 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 Eagle Plains 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 Business 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.

**Taiga Gold Corp.**  
**(An Exploration Stage Corporation)**  
**Notes to Interim Carve-out Financial Statements**  
(Unaudited – prepared by management)  
(Expressed in Canadian dollars)

**March 31, 2018 and 2017**

**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. (“EPL”) through common directors. During the period the Company had the following transactions with the related company:

	<b>2018</b>	2017
Expenses paid by EPL	<b>\$ 37,936</b>	\$ 38,992
Exploration costs paid by EPL	<b>17,715</b>	9,454
Option payments received by EPL	<b>(61,250)</b>	(52,500)
	<b>\$ (5,599)</b>	\$ (4,054)

Compensation to key management

Compensation to key management personnel allocated from Eagle Plains in the period:

Administration costs	<b>2018</b>	2017
Management fees to a company owned by a director and officer of Eagle Plains	<b>\$ 3,688</b>	\$ 8,857
Wages and benefits to a director and officer of Eagle Plains	<b>3,471</b>	4,178
Professional fees to a director and officer of Eagle Plains	<b>1,122</b>	1,993
Share-based payments to directors and officers	<b>5,570</b>	17,325
	<b>\$ 13,851</b>	\$ 32,353

**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.

**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.

**March 31, 2018 and 2017**

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**9. Capital Management - continued**

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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 March 31, 2018 and 2017. The Company is not subject to externally imposed capital requirements.

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**10. Subsequent Event**

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On April 6, 2018, the reorganization Plan of Arrangement was approved by shareholders at a special meeting 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.

